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CANADA, PARLIAMENT  
1 2

HOUSE OF COMMONS

Issue No. 10

Tuesday, May 12, 1981

Chairman: Mr. Herb Breau

CHAMBRE DES COMMUNES

Fascicule n° 10

Le mardi 12 mai 1981

Président: M. Herb Breau

*Minutes of Proceedings and Evidence  
of the Special Committee on**Procès-verbaux et témoignages  
du Comité spécial sur*

# The Federal-Provincial Fiscal Arrangements

# Les accords fiscaux entre le gouvernement fédéral et les provinces

## RESPECTING:

Federal-Provincial Fiscal Arrangements and  
Established Programs Financing Act, 1977, fiscal  
equalization, tax collection agreements and the  
Canada Assistance Plan.

## CONCERNANT:

La Loi de 1977 sur les accords fiscaux entre le  
gouvernement fédéral et les provinces et sur le  
financement des programmes établis, la  
péréquation des accords de perception fiscale et le  
Régime d'assistance publique du Canada.

## WITNESSES:

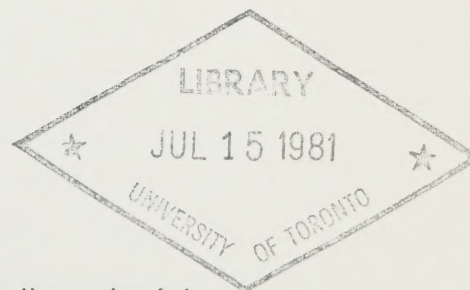
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## TÉMOINS:

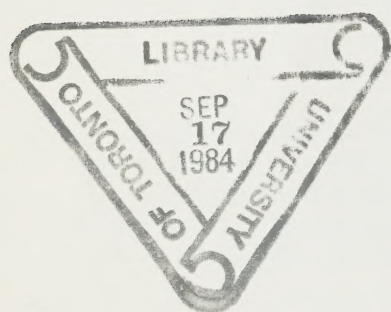
(Voir à l'endos)

First Session of the  
Thirty-second Parliament, 1980-81

Première session de la  
trente-deuxième législature, 1980-1981







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(See back cover)

## TÉMOINS:

(Voir à l'endos)

First Session of the  
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**SPECIAL COMMITTEE ON THE  
FEDERAL-PROVINCIAL  
FISCAL ARRANGEMENTS**

*Chairman:* Mr. Herb Breau

*Vice-Chairman:* Mr. Don Blenkarn

Messrs.

Blaikie  
Herbert

**COMITÉ SPÉCIAL SUR LES ACCORDS FISCAUX  
ENTRE LE GOUVERNEMENT FÉDÉRAL  
ET LES PROVINCES**

*Président:* M. Herb Breau

*Vice-président:* M. Don Blenkarn

Messieurs

Loiselle  
Thacker

Weatherhead

(Quorum 4)

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*

## MINUTES OF PROCEEDINGS

TUESDAY, MAY 12, 1981  
(25)

[Text]

The Special Committee on Federal-Provincial Fiscal Arrangements met at 9:31 o'clock a.m., this day, the Chairman, Mr. Breau, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker and Weatherhead.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade:* Peter Dobell, Director; A. R. Dobell; Ronald LeBlanc; William Haney; David Humphreys and Yolanda Banks. *From the Research Branch; Library of Parliament:* Christopher Lawless.

*Witnesses: From the Canadian Medical Association:* Dr. W. D. Thomas, President; Dr. L. Richard, President-Elect; Dr. D. L. Wilson, Past-President; M. Baltzen, Chairman, CMA Council on Economics; Dr. R. G. Wilson, Secretary General; B. E. Freaino, Executive Secretary; D. Geekie, Director of Communications. *From C.M.A. from different provinces:* Dr. J. S. Bennett; Dr. S. Laporte; Dr. J. Charbonneau; Dr. G. H. Isaac; Dr. H. Arnold.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements between the Federal Government and the provinces. (*See Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

The witnesses made an audio-visual presentation and answered questions.

*It was agreed,—*That the submission presented by the Canadian Medical Association and Charts referred to in the presentation be printed as an appendix to this day's Minutes of Proceedings and Evidence (*See Appendix "FISC-24"*).

At 1:00 o'clock p.m., the Committee adjourned to the call of the Chair.

AFTERNOON SITTING  
(26)

The Special Committee on Federal-Provincial Fiscal Arrangements met at 3:30 o'clock p.m., this day, the Chairman, Mr. Breau, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker and Weatherhead.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade:* A. R. Dobell, Ronald LeBlanc and William Haney. *From the Research Branch, Library of Parliament:* Christopher Lawless.

*Witnesses: At 3:30 p.m.: From the Federation of Saskatchewan Indians:* Chief Sol Sanderson, President and Mr. Pat Woods, General Manager, SINCO Developments Ltd. *At 5:00 p.m.: From the Canadian Union of Public Employees (CUPE):* Mr. Gil Levine, National Research Director; Mr. John Calvert, Researcher and Ms. Gene Errington, Researcher.

## PROCÈS-VERBAL

LE MARDI 12 MAI 1981  
(25)

[Traduction]

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à 9 h 31 sous la présidence de M. Breau (président).

*Membres du Comité présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker et Weatherhead.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du commerce extérieur:* MM. Peter Dobell, directeur; A. R. Dobell; Ronald LeBlanc; William Haney; David Humphreys et M<sup>me</sup> Yolanda Banks. *Du Service de recherches de la Bibliothèque du Parlement:* M. Christopher Lawless.

*Témoins: De l'Association médicale canadienne:* Dr W. D. Thomas, président; Dr L. Richard, président élu; Dr D. L. Wilson, ancien président; M. Baltzen, président, Conseil sur l'économie de l'AMC; Dr R. G. Wilson, secrétaire général; M. B. E. Freaino, secrétaire exécutif; M. D. Geekie, directeur des communications. *De la AMC—différentes provinces:* Dr J. S. Bennett; Dr S. Laporte; Dr J. Charbonneau; Dr G. H. Isaac; Dr H. Arnold.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (*Voir procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

Les témoins font une présentation audiovisuelle et répondent aux questions.

*Il est convenu,—*Que le mémoire présenté par l'Association médicale canadienne et les tableaux dont il est fait mention dans la présentation soient joints aux procès-verbal et témoignages de ce jour. (*Voir Appendice «FISC-24»*).

A 13 heures, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

SÉANCE DE L'APRÈS-MIDI  
(26)

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à 15 h 30 sous la présidence de M. Breau (président).

*Membres du Comité présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker et Weatherhead.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du Commerce extérieur:* MM. A. R. Dobell, Ronald LeBlanc et William Haney. *Du Service de recherches de la Bibliothèque du Parlement:* M. Christopher Lawless.

*Témoins: A 15 h 30: De la Fédération des Indiens de la Saskatchewan:* Chef Sol Sanderson, président et M. Pat Woods, directeur général, SINCO Developments Ltd. *A 17 heures: Du Syndicat canadien des employés de la Fonction publique (SCEFP):* M. Gil Levine, directeur national de recherche; M. John Calvert, recherchiste et M<sup>me</sup> Gene Errington, recherchiste.



The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (See *Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

The witnesses made statements and answered questions.

*It was agreed*,—That the submission presented by Chief Sol Sanderson, President of the Federation of Saskatchewan Indians, be presented as an appendix to this day's Minutes of Proceedings and Evidence. (See Appendix "FISC-25".)

*It was agreed*,—That the submission presented by the Canadian Union of Public Employees be printed as an appendix to this day's Minutes of Proceedings and Evidence. (See Appendix "FISC-26".)

At 6:15 o'clock p.m., the Committee adjourned to the call of the Chair.

#### EVENING SITTING

(27)

The Special Committee on Federal-Provincial Fiscal Arrangements met at 8:00 o'clock p.m., this day, the Chairman, Mr. Breau, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle and Thacker.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade:* Ronald LeBlanc and Michael Mendelson. *From the Library of Parliament:* Christopher Lawless.

*Witnesses: From the Registered Nurses' Association of Ontario:* Shirley Wheatly, President and Maureen Powers, Executive Director.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements between the Federal Government and the provinces. (See *Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

The President of the Registered Nurses' Association of Ontario made a statement and, with Ms. Powers, answered questions.

*It was agreed*,—That the following documents be printed as appendices to this day's Minutes of Proceedings and Evidence:

- Registered Nurses' Association of Ontario Submission, May 1981—(See Appendix "FISC-27"); and
- Position Paper on Health Care Costs, January, 1980—(See Appendix "FISC-28".)

At 9:07 o'clock p.m., the Committee adjourned to the call of the Chair.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (Voir *procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

Les témoins font des déclarations et répondent aux questions.

*Il est convenu*,—Que le mémoire présenté par le chef Sol Sanderson, président de la Fédération des Indiens de la Saskatchewan, soit joint aux procès-verbal et témoignages de ce jour. (Voir *Appendice «FISC-25»*.)

*Il est convenu*,—Que le mémoire présenté par le Syndicat canadien des employés de la Fonction publique, soit joint aux procès-verbal et témoignages de ce jour. (Voir *Appendice «FISC-26»*.)

A 18 h 15, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

#### SÉANCE DU SOIR

(27)

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à 20 heures sous la présidence de M. Breau (président).

*Membres du Comité présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle et Thacker.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du Commerce extérieur:* MM. Ronald LeBlanc et Michael Mendelson. *De la Bibliothèque du Parlement:* M. Christopher Lawless.

*Témoins: De la Registered Nurses' Association of Ontario:* M<sup>mes</sup> Shirley Wheatly, présidente et Maureen Powers, directrice exécutive.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique au Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (Voir *procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

La présidente de la Registered Nurses' Association of Ontario fait une déclaration puis, avec M<sup>me</sup> Powers, répond aux questions.

*Il est convenu*,—Que les documents suivants soient joints aux procès-verbal et témoignages de ce jour:

- Mémoire de la Registered Nurses' Association of Ontario, mai 1981—(Voir *Appendice «FISC-27»*); et
- Document explicatif sur les coûts de frais de santé, janvier 1980—(Voir *Appendice «FISC-28»*.)

A 21 h 07, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*

## EVIDENCE

*(Recorded by Electronic Apparatus)*

Tuesday, May 12, 1981

• 0932

*[Texte]***Le président:** A l'ordre s'il vous plaît.

Nous continuons ce matin l'étude de la Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces, et sur le financement des programmes établis, la péréquation des accords de perception fiscale et le Régime d'assistance publique du Canada.

Nous avons devant nous ce matin des représentants de l'Association médicale canadienne. Le Dr W. D. Thomas, président, dirige la délégation et je lui demanderais de présenter ses collègues. Il nous fera ensuite une déclaration sommaire en plus d'une présentation audio-visuelle.

J'aimerais, toutefois, saisir l'occasion qui n'est efferte de présenter moi-même une des personnes ici présentes, il s'agit du Dr Léon Richard, le président élu, qui est aussi chancelier de l'Université de Moncton.

• 0935

Vous savez tous qu'il s'agit de mon université. J'aimerais dire aux députés qui si le docteur Richard est ici avant tout comme délégué de l'Association médicale canadienne cela ne veut pas dire qu'il n'attache pas d'importance au financement des universités. Et j'ai l'impression que lorsque nous irons à Fredericton, le docteur Richard sera peut-être là pour nous rencontrer.

Alors, bienvenue docteur Richard.

Dr. Thomas, would you like to introduce your colleagues and proceed with your presentation?

**Dr. W. D. Thomas (President, Canadian Medical Association):** Thank you, Mr. Chairman.

First, I would like to thank you and the members of your committee for the opportunity to appear before you this morning to present the views of the Canadian medical profession on this very important subject.

I would like to introduce the members of our rather unusually large delegation. You have already capably introduced the President-Elect of the Canadian Medical Association, Dr. Léon Richard. Also with us are Dr. D. L. Wilson, the immediate Past President of the Canadian Medical Association and Professor of Medicine at Queen's University in Kingston; Dr. Mark Baltzan, the Chairman of the CMA council on Economics and a specialist in internal medicine from Saskatoon, Saskatchewan; Mr. B. E. Freamo, our Executive Secretary; Dr. R. G. Wilson, our Secretary-General; and Mr. Doug Geekie, our Director of Communications.

We have also brought with us today several representatives of varying geographic areas of this country: Dr. John Bennett, the Executive Secretary of the New Brunswick Medical Society; Dr. Sylvain Laporte, the Past President of the Quebec Medical Association and a family physician from Joliette, Quebec; Dr. Geoffrey Isaac, a family physician practising in Scarborough West, near Toronto; Dr. Joan Charbonneau, a family physician representing the Mississauga area, again in

## TÉMOIGNAGES

*(Enregistrement électronique)*

Le mardi 12 mai 1981

*[Traduction]***The Chairman:** Order, please.

We proceed this morning with the review of the 1977 Act on fiscal arrangements between the federal Government and the provinces, established program financing, equalization of tax collection agreements and the Canada Assistance Plan.

We have with us this morning representatives of the Canadian Medical Association. I will ask Dr. W. D. Thomas, president of the Association and head of the delegation to introduce his colleagues. He will later make a brief statement and an audio-visual presentation.

I would like however to take the opportunity to introduce personally one of the people here, Dr. Léon Richard, President-Elect and also Chancellor of Moncton University.

You all know that it is my university. I would like to point out to the members that while Dr. Richard mainly comes here as a representative of the Canadian Medical Association he is, however, interested in universities' financing. I am under the impression that when we will travel to Fredericton, Dr. Richard might be there to meet us.

So, welcome Dr. Richard.

Dr Thomas pourriez-vous nous présenter vos collègues et commencer?

**M. W. D. Thomas (président de l'Association médicale canadienne):** Merci, Monsieur le président.

J'aimerais tout d'abord vous remercier, ainsi que les membres de notre comité de nous fournir l'occasion, ce matin, de venir vous présenter l'opinion de l'Association médicale canadienne sur cette question très importante.

Vous avez déjà fait les présentations d'usage pour M. Léon Richard, président de l'Association médicale canadienne. Nous avons avec nous ce matin son prédécesseur à la tête de l'Association, M. D. L. Wilson qui est aussi professeur de médecine à l'université Queen's de Kingston; M. Mark Baltzan, président du Conseil de l'association pour les questions économiques et spécialiste en médecine interne de Saskatoon, Saskatchewan; M. B. E. Freamo, secrétaire exécutif; M. R. G. Wilson, secrétaire général et enfin M. Doug Geekie, directeur des communications.

Nous avons amené avec nous plusieurs représentants des diverses régions dont M. John Bennett, secrétaire exécutif de la Société médicale du Nouveau-Brunswick; M. Sylvain Laporte, ex-président de l'Association médicale du Québec et généraliste à Joliette au Québec; M. Geoffrey Isaac, généraliste exerçant à Scarborough-Ouest, près de Toronto; M. John Charbonneau, généraliste représentant la région de Mississauga en Ontario; M. Roland Chiasson, président de la Société



*[Text]*

Ontario; Dr. Roland Chiasson, President of the Prince Edward Island Medical Society; and Dr. Hugh Arnold, a specialist in internal medicine from Lethbridge, Alberta.

We regret that two members of our delegation are unavoidably absent: Dr. Ed Rafuse, the Chairman of the Board from Halifax, and Dr. Henry Darks, representing the Winnipeg area.

Now, sir, in explanation of this rather large group: it was our original understanding that the task force would hold hearings only here in Ottawa, and the subject of health care, as you are aware, is very complex and, as you are learning, is not merely a national insurance program but really a series of programs that vary from province to province. We therefore planned to have a delegation capable of answering your questions and these people are representative of the various provinces of Canada and particularly the ridings which you represent.

Our brief, which is not very brief, was delivered to you last week. It is not our intent to read or even review in any great detail this brief but to speak to it and to add, for your benefit, some supplementary information.

The physicians of Canada, the chief providers of medical care, are proud of the health status of Canadians. We are proud of our high-quality health care system—and, yes, we are proud of our medicare. Many people have lost sight of the fact that it was the physicians of Canada, helped by many, including organized labour and private industry, who pioneered prepaid hospital and medical insurance care. Those voluntary prepaid plans, set up by physicians for physicians, provided the foundation on which our current medicare program was built.

• 0940

We agree with the conclusion of Justice Emmett Hall, who, in his recent report, said that by world standards Canada has one of the very best health care systems in the world today. Proof of that fact is contained in the statistical data we have submitted to you. Among the countries we are traditionally compared to, Canadians have one of the longest life expectancies. Indeed, as we have outlined, women in Canada can expect to live, on average, 77.5 years, the second longest life expectancy in the world, second only to the Swedes.

Our infant mortality rate is also very respectable at 12.4 deaths per 1,000 live births. If one were to exclude those deaths among infants in the far reaches of the north, where modern obstetrical and neonatal care is difficult to obtain, we would have one of the lowest infant mortalities in the whole world.

The third commonly used epidemiological index of a nation's health status is maternal mortality. As an obstetrician, sir, I am pleased to relate to you that in 1977 our maternal mortality rate was five deaths per 100,000 live-born babies, this being second only to Switzerland.

Epidemiological indices and statistics are important indicators of health standards: these are the measuring devices we

*[Translation]*

médicale de l'Île-du-Prince-Édouard et enfin M. Hugh Arnold, spécialiste en médecine interne à Lethbridge en Alberta.

Nous regrettons l'absence de deux des membres de notre délégation qui n'ont pas pu se libérer: M. Ed Rafuse, président du Conseil de Halifax et M. Henry Dirks, représentant la région de Winnipeg.

Il faut que je vous explique les raisons pour lesquelles nous sommes venus en force. Nous pensions en effet que les audiences du groupe de travail se dérouleraient essentiellement à Ottawa. Or, la question des soins de santé est extrêmement complexe et, comme vous avez dû vous en rendre compte, il ne s'agit pas seulement d'un programme d'assurance national mais plutôt d'une gamme de programmes variant d'une province à l'autre. Nous avons donc, en prévision de vos questions, rassemblé une délégation de représentants des diverses provinces et surtout de vos circonscriptions.

Nous vous avons transmis la semaine dernière un mémoire relativement long. Notre intention n'est pas de vous le lire ou d'entrer dans les détails mais plutôt de vous en parler et de vous fournir des renseignements supplémentaires susceptibles de vous intéresser.

Les médecins de notre pays, principaux responsables des soins médicaux s'enorgueillissent du régime de soins de santé offert aux Canadiens. Nous sommes fiers de l'excellente qualité des soins dispensés ainsi que de l'assurance-maladie. On oublie souvent que les médecins aidés, entre autres, des syndicats et de l'industrie privée ont été les premiers à préconiser l'instauration d'un régime d'assurance par paiements anticipés couvrant les frais hospitaliers et médicaux. Ce sont précisément ces régimes à participation facultative, mis en place par des médecins pour des médecins qui ont servi de tremplin à notre programme actuel d'assurance-maladie.

Nous nous rangeons aux conclusions du rapport publié récemment par le juge Emmett Hall: le Canada dispose aujourd'hui d'un des meilleurs régimes de soins de santé du monde. Vous en trouverez la preuve dans les statistiques que nous vous avons soumises. Le Canada est l'un des pays où l'espérance de vie est la plus longue par rapport à ceux auxquels on nous compare habituellement. Les Canadiennes ont, en moyenne, une espérance de vie de 77.5 ans et se placent en deuxième position, après les Suédoises.

Le taux de mortalité infantile est très raisonnable, 12.4 morts pour 1,000 naissances vivantes. Si l'on excluait les morts parmi les nouveaux-nés dans les régions éloignées du Nord où les techniques modernes d'obstétrique ainsi que les soins nécessaires aux nouveaux-nés sont difficiles à obtenir, le Canada enregistrait un des taux de mortalité infantile les moins élevés du monde.

La troisième mesure épidémiologique la plus répandue pour évaluer l'état de santé d'une nation est la mortalité en couches. Monsieur le président, en ma qualité d'accoucheur j'ai le plaisir de vous annoncer qu'en 1977, le taux de mortalité en couches était de 5 pour 100,000 enfants nés vivants, le Canada se rangeant juste après la Suisse.

Les indices et statistiques épidémiologiques sont importants pour les normes de santé puisqu'ils servent à évaluer la qualité



[Texte]

use when describing health care effectiveness. But it is difficult for many people to understand these epidemiological statistics; therefore, with your permission, sir, I would like to introduce Mr. Mark Baltzan to show you just a few examples of recent major advances in health care which have contributed to the improved health care status of Canadians. Time will permit us to show you just a few examples; I think they will give you a better perspective on health care improvements in this country and, particularly, their current cost implications and the implications for health care costs of the future.

**Dr. M. Baltzan (Chairman, Canadian Medical Association Council on Economics):** Mr. Chairman, members of the parliamentary committee, ladies and gentlemen, I thought we could begin this presentation by covering a bit of ground that Dr. Thomas has already covered and reviewing the longevity tables comparing Canada with six similarly developed and reasonably culturally similar countries.

Longevity tables are usually used to measure the effectiveness of a health care or a medical care program, but it should be pointed out that there is some difficulty with this interpretation. Clearly, longevity does not depend entirely upon the ability of physicians, nurses and other health care workers: it depends to a considerable extent on the living standards, the quality of food, the quality of housing and the poverty level.

On the other hand, there is much health care work and many medical services which do not show up in longevity tables. Many of the counselling devices, the relief of anxiety, the shortening of illness and, to some extent, some of the preventative measures do not show up in these tables. We are not emphasizing these in this presentation, but there also have expanded tremendously in Canada in the last 15 or 20 years.

We will turn now to these tables.

• 0945

• 1000

**Dr. Baltzan:** These advances that I have talked about, which unquestionably have saved lives, have all occurred since the original medicare program was planned. There was no provision made in the original plan for these advances. They are all ad hoc add-on devices encompassed within the pre-existing structure and using the pre-existing funds. I think the position that medicine is in today is that we cannot continue this ad hoc add-on basis of incorporating new advances into health care. Thank you.

**Dr. Thomas:** Thank you, Dr. Baltzan. Ladies and gentlemen, I wish there was time for more of this slide show, but I think you get the message. There is also a negative side to the coin, however. As Mr. Emmett Hall has said, there are also serious problems in our health care delivery system which, if not faced and resolved, can greatly diminish the efficiency of the program.

[Traduction]

des soins de santé. Bon nombre de gens ont du mal à comprendre ces statistiques épidémiologiques. Avec votre permission, monsieur, j'aimerais vous présenter M. Mark Baltzan qui vous citera quelques exemples des grands progrès réalisés récemment dans le domaine des soins de santé et qui ont permis aux Canadiens d'améliorer leur état de santé. Le temps nous étant compté, nous nous limiterons à quelques exemples qui devraient mieux vous faire comprendre les améliorations apportées dans ce domaine, dans notre pays et surtout leurs répercussions sur les coûts actuels et futurs des soins de santé.

**Dr M. Baltzan (président du Conseil des questions économiques de l'Association médicale canadienne):** Monsieur le président, Messieurs les membres du comité parlementaire, Mesdames et Messieurs nous pourrions commencer par reprendre certaines des questions évoquées par M. Thomas et par comparer les tableaux de longévité du Canada à ceux de six pays présentant un développement et une culture analogues.

On recourt habituellement aux tableaux de longévité pour évaluer l'efficacité de programmes de soins médicaux ou de santé. Il convient toutefois de signaler qu'une telle interprétation suscite certains problèmes. En effet, il est évident que la longévité ne dépend pas essentiellement des compétences des médecins, infirmières et autre personnel sanitaire en général mais aussi beaucoup du niveau de vie, de la qualité de l'alimentation et du logement ainsi que de la pauvreté.

Par ailleurs, une grande partie des soins de santé et des services médicaux n'apparaît pas dans les tableaux de longévité. Songeons aux services de counselling, à la réduction de l'anxiété des patients, au raccourcissement de la durée de la maladie et, dans une certaine mesure, aux mesures à caractère préventif. Nous n'insistons pas sur tous ces services dans notre présentation mais il faut noter qu'ils ont connu une énorme expansion dans notre pays au cours des 15 ou 20 dernières années.

Passons à présent aux tableaux.

**Dr Baltzan:** On a sans aucun doute sauvé des vies grâce aux progrès réalisés depuis l'instauration du programme d'assurance-maladie. Mais ils n'avaient pas été prévus au départ et tous ces services ont donc dû être intégrés au fur et à mesure au programme initial et financés tant bien que mal. Or, il est impossible à la médecine d'aujourd'hui de continuer à incorporer, sans organisation, les progrès dans le domaine des soins de santé. Merci de votre attention.

**Dr Thomas:** Merci, monsieur Baltzan. Mesdames et messieurs, il est dommage que nous ne disposions pas de plus de temps pour les diapositives mais je pense que vous avez saisi le sens de l'argumentation. Malheureusement, cette question comporte un aspect négatif. Comme M. Emmett Hall l'a dit, notre régime de soins de santé connaît de graves problèmes

[Text]

As we have outlined in our brief, we believe the major and fundamental problem is one of underfunding. There are a number of other problems but most of them are the sequela of the primary problem of under-funding. Now rather than provide you with a litany of Canada's health care delivery problems, we would like to give you some specific examples, the problems that exist in the ridings, the constituencies, of the members of this task force.

I need not remind you, sir, that the task force was not picked by the Canadian Medical Association. Parliament and the political parties of the House could have picked any seven other members who represent other geographic areas in this country. The list of problems, however, would have been essentially the same. The problems vary from one part of the country to another but, if you choose a reasonable cross section of Canada, the results are similar. With your permission we will start in the east, in your riding of Gloucester, Mr. Chairman . . .

**The Chairman:** A beautiful area to start with.

**Dr. Thomas:** . . . and then we will move west. Our first presentation will be from Dr. John Bennett, the Executive Secretary of the New Brunswick Medical Society.

**Dr. J. S. Bennett (Executive Secretary, New Brunswick Medical Society):** Thank you, Dr. Thomas. Thank you, Mr. Chairman. I would like to start by just painting a very general picture of your riding from the medical point of view. Basically, the riding of Gloucester is situated in the northeast part of the province of New Brunswick and is bordered on the north by the Bay of Chaleur and on the east by the Gulf of St. Lawrence. The majority of the residents are French speaking. The economy of the region is based mainly on forestry-related industries, agriculture, fishing, mining and smelting and, to some extent, tourism.

In 1979 the number of insured residents for health care in the region was 86,555. Of these, 31,590 were in the 15 to 44 age group, and 8,000, or 9 per cent, were over the age of 59. During that year, 451,713 services were provided to the residents, working out to an average of just over 5 services per resident. These services formed about 11.5 per cent of the total services provided in the Province of New Brunswick during that year.

The major centre for the delivery of health care in your region is in Bathurst, and that has a hospital of 248 beds and 36 doctors. There are several other smaller hospitals within the region; Caraquet at 60 beds; Lamèque at 43 beds; Tracadie at 100 beds. Basically doctors are stationed in Bathurst, although there are 6 doctors at Caraquet; at Lamèque; 4 at Shippegan; 10 at Tracadie; and 1 at Beresford. So you have 58 doctors in the region made up of 42 general practitioners and 16 specialists, and they have a total hospital bed population of 451. What it really amounts to is that you have 8 per cent of the New Brunswick physicians who are providing health care delivery to about 12 per cent of the population.

[Translation]

qu'il nous faudra résoudre si nous voulons éviter que l'efficacité du programme s'en ressente fortement.

Nous avons signalé dans notre mémoire que le principal problème est dû à l'insuffisance du financement. Il en est bien d'autres mais la plupart d'entre eux en sont une conséquence. Nous vous épargnerons la liste des problèmes de notre régime et vous citerons plutôt des exemples précis de difficultés rencontrées dans vos circonscriptions.

Inutile de vous rappeler, monsieur le président, que ce n'est pas notre association qui a établi la composition du groupe de travail. Le Parlement et les partis politiques à la Chambre auraient pu choisir sept membres pour représenter d'autres régions. La liste des difficultés aurait été, grosso modo, pareille. Les problèmes diffèrent d'une région à l'autre mais les résultats restent similaires si l'on choisit un éventail relativement représentatif des diverses régions. Avec votre permission, monsieur le président, nous commencerons pas l'est, avec votre circonscription du Gloucester . . .

**Le président:** Vous commencez par une magnifique région.

**Dr Thomas:** . . . ensuite nous passerons à l'ouest. Le premier intervenant est M. John Bennett, secrétaire exécutif de la Société médicale du Nouveau-Brunswick.

**Dr J. S. Bennett (secrétaire exécutif, Société médicale du Nouveau-Brunswick):** Merci, M. Thomas. Merci à vous, monsieur le président. Je commencerai par vous donner une description générale de votre circonscription, sur le plan médical. Gloucester est située au nord-est du Nouveau-Brunswick et est limitée au nord, par la Baie des Chaleurs et à l'est par le Golfe du Saint-Laurent. La majorité des résidents y sont francophones. L'économie de la région est centrée principalement sur l'exploitation forestière, agricole, la pêche, les mines, les fonderies et, dans une certaine mesure, le tourisme.

En 1979, on comptait 86,555 résidents couverts par le régime de soins de santé dont 31,590 appartenant à la catégorie des 15 à 44 ans et 8,000—soit 9 p. cent—de plus de 59 ans. Au cours de cette année, 451,713 services ont été fournis aux résidents, en moyenne un peu plus de 5 par résident, soit 11.5 p. cent de l'ensemble des services dispensés au Nouveau-Brunswick au cours de la même année.

Le principal centre sanitaire de votre région est l'hôpital de Bathurst qui compte 248 lits et 36 médecins. On en trouve d'autres, de moindre envergure, dans la région dont Caraquet, 60 lits, Lamèque, 43 lits et Tracadie, 100 lits. La plupart des médecins exercent à Bathurst: on en trouve toutefois 6 à Caraquet, 1 à Lamèque, 4 à Shippegan, 10 à Tracadie et un à Beresford. La région compte donc 58 médecins dont 42 généralistes, 16 spécialistes et 451 lits d'hôpitaux au total. En fait, 8 p. cent des médecins du Nouveau-Brunswick soignent environ 12 p. cent de la population.



[Texte]

• 1005

The concentration of specialists is essentially in Bathurst, and I would just very quickly list them to you: one psychiatrist, one pathologist, two diagnostic radiologists, two general surgeons, one urologist, one internist, two OBGYNs, one ENT and one pediatrician. If you take the simple mathematics for the whole region, the doctor-population ratio is 1:1,493, which I think you will agree is above the normal figure. The provincial ratio is 1:913.

In your region, Mr. Chairman, we have a very real shortage of doctors, especially specialists, and those who are capable of effectively communicating in French. The facilities and remuneration are such that physicians are not attracted to that part of the province. On May 6, indeed, the provincial Minister of Health expressed on a radio program her concern over the increasing use of the hospital outpatient departments as substitutes for physicians' offices right across the province, but particularly in the north and the northeast, and quoted an increased demand by the public for services that could not be met by the primary care physicians in their offices.

As I said earlier, there is a general manpower shortage right across the province. Part of this is due to the fact that New Brunswick physicians are remunerated at a rate below both the national and the regional average in many of their fees. Just as an example, the New Brunswick fee for hospital inpatient care up to March 31, 1981 was 40 per cent below the national average, as indeed were emergency fees. These have been improved by the 12 per cent general increase granted on April 1, 1981, but as other jurisdictions settled for larger amounts the gap between these and the price of services in other provinces is not being closed. At present the New Brunswick physician is remunerated at a rate about 9 per cent below the regional average and about 11 per cent below the national average.

We have 430 nursing home beds in the region. These seem to be constantly in demand, with waiting lists for most of them, and like other regions in the country many of the acute care beds and the acute care facilities are occupied by people who would be better served in extended care facilities.

The manpower figures that I expressed to you earlier would indicate that we have severe shortcomings in secondary and tertiary medical care, and indeed a large number of patients from your region, Mr. Chairman, have to seek that type of care outside the area. They have to travel either within the province to the major urban centres of Moncton, Fredericton or Saint John, or indeed even have to go outside the province to Halifax, Montreal or Toronto. We do not have the doctors, we do not have the essential health care personnel, we do not have the facilities, and we do not have the equipment. Indeed, as I stated earlier when I talked about manpower, it is particularly acute in the north and northeast area. Medical students from those areas who tend, by and large, to go to Quebec medical schools, do not return to the province. Even the well-established Francophone physicians in the north, the

[Traduction]

Les spécialistes sont surtout concentrés à Bathurst. Je vous en donne rapidement la liste: un psychiatre, un pathologiste, deux radiologues spécialisés en diagnostic, deux chirurgiens généralistes, un urologue, un spécialiste des maladies internes, deux OBGYN, un ORL et un pédiatre. Si l'on effectue un simple calcul pour toute la région, on constate que le pourcentage de médecins par habitant est plus élevé qu'ailleurs et s'établit à 1 pour 1,493 par rapport à la moyenne provinciale de 1 pour 913.

Monsieur le président, votre région se caractérise par une véritable pénurie de médecins et surtout de spécialistes capables de communiquer en français, qui sont peu attirés par cette partie de la province où les établissements et les honoraires laissent à désirer. Le 6 mai, à l'occasion d'une émission à la radio, le ministre provincial de la Santé a d'ailleurs exprimé son inquiétude face au recours croissant aux services de consultations externes plutôt qu'aux cabinets de médecins, phénomène généralisé dans toute la province mais touchant particulièrement le nord et le nord-est. En effet, les médecins chargés des soins de première ligne seraient débordés et incapables de faire face à la demande croissante.

On note donc une pénurie généralisée de médecins dans toute la province. Ce problème est en partie dû au fait que les médecins du Nouveau-Brunswick touchent des honoraires bien souvent inférieurs à la moyenne nationale et régionale. A titre d'exemple, au 31 mars 1981, ils touchaient 40 p. 100 de moins, par rapport à la moyenne nationale, pour les malades hospitalisés ainsi que pour les urgences. Grâce au relèvement général de 12 p. 100 accordé le 1<sup>er</sup> avril 1981, la situation s'est améliorée mais les autres provinces ayant consenti des augmentations supérieures, leurs honoraires sont restés inférieurs. Aujourd'hui les médecins du Nouveau-Brunswick ont un niveau de rémunération inférieur de 9 p. 100 à la moyenne régionale et de 11 p. 100 environ par rapport à la moyenne nationale.

On compte 430 lits dans les maisons de santé de la région. Les listes d'attente sont longues pour la plupart d'entre eux et comme dans les autres régions du pays beaucoup de lits et d'établissements pour maladies aiguës sont occupés par des patients qui devraient être transférés dans des services de soins prolongés.

Les statistiques de main-d'œuvre sanitaire révèlent de graves lacunes un plan des soins médicaux secondaires et tertiaires et d'ailleurs un grand nombre de patients de votre région doivent aller se faire soigner à l'extérieur, dans les grandes villes de Moncton, Fredericton et Saint-Jean et même en dehors de la province à Halifax, Montréal ou Toronto. Nous manquons de médecins, de personnel sanitaire essentiel, d'installations et de matériel. Comme dans le cas de la main-d'œuvre, ce problème sévit tout particulièrement dans le nord et le nord-est. Les étudiants en médecine originaires de ces régions qui, dans l'ensemble, vont étudier dans les facultés de médecine du Québec ne reviennent pas dans notre province. Même les médecins francophones avec pignon sur rue du nord, du nord-ouest et du nord-est de la province désertent en grand nombre.



*[Text]*

northwest and the northeast of the province are leaving in fairly large numbers. One of the communities in the northwest, Edmunston, this year will be down to a grave situation regarding medical manpower.

The students do not show a great desire to return to New Brunswick to practise for a variety of reasons, and indeed the doctors that we have there are being lost, not only to the United States but to the other provinces in Canada. The picture is indeed bleak in terms of medical care delivery in that part of the Province of New Brunswick.

I think if a full and balanced range of health services is to be provided for the citizens of New Brunswick, some special form of assistance will have to be considered for the province, and perhaps indeed for the Atlantic provinces as a whole. As I am sure you are aware, Mr. Chairman, the health systems in the region started off from a much lower base a quarter of a century ago than was the case in many other parts of Canada, and although they obviously have developed, they still lag behind the health systems of the other parts of the country. During the 25-year period the main thrust has been directed to developing the basic requirements of a health care delivery system, that is, hospital and medical services, and other programs have had to be shelved or retained in an extremely immature state.

• 1010

As I am sure you know, the fiscal and financial picture for that area is not very good. The per capita income for the New Brunswick area is around 70 per cent of the national average, and if one extrapolates this down to expenditure on physician services, for example, New Brunswick is next to the bottom in the most recent figures we have available. The per capita spending was \$64.29, next to the lowest in the country, with the range going from \$134 in B.C. down to \$60 in Newfoundland.

I think, Mr. Chairman, that gives you a capsule picture of the health care delivery system in your riding and I thank you.

**Dr. Thomas:** Thank you, Dr. Bennett. Dr. Léon Richard has also practised for some time in the northern regions of New Brunswick and will add a few comments.

**Dr L. Richard (président élu, Association médicale canadienne):** Monsieur le président, ce qui me préoccupe au point de vue national, c'est le fait que l'assiette fiscale ne peut pas être plus petite qu'elle l'est maintenant quant aux services de santé; au contraire, elle doit être agrandie. Le service, comme vous avez pu le voir par les diapositives, s'est développé à une bonne allure et a produit des développements intéressants pour les Canadiens. Cependant, comme tous les autres, il a été victime de restrictions et il en est rendu au point où plus de restrictions pourraient le changer en profondeur.

Les services de santé ont connu un essor qui n'était presque pas pensable ou même prévisible il y a quelques années. Ces nouveaux traitements et ces nouvelles découvertes ont permis de traiter une foule de personnes qui ne l'auraient pas été autrement. Mais ils sont dispendieux, surtout parce qu'ils sont

*[Translation]*

Cette année, Edmunston, au nord-ouest, fera face à une grave pénurie de personnel médical.

Les étudiants, pour une série de raisons, ne font pas preuve d'un grand enthousiasme à l'idée de revenir exercer au Nouveau-Brunswick. Nos médecins nous ont d'ailleurs quittés pour les États-Unis mais aussi pour les autres provinces du Canada. La situation, sur le plan des soins médicaux, est donc peu réjouissante dans cette partie du Nouveau-Brunswick.

Si l'on veut doter les citoyens du Nouveau-Brunswick d'une gamme complète et bien équilibrée de services sanitaires, il conviendra, d'une certaine manière, d'aider la province et peut-être toute la région Atlantique. Comme vous le savez certainement, monsieur le président, l'instauration de régimes de santé dans cette région, il y a 25 ans, a été plus lente qu'ailleurs au Canada et, en dépit de leur expansion, ils sont encore à la traîne. On s'est axé, pendant 25 ans, sur l'organisation de base d'un régime de prestations de soins de santé—services hospitaliers et médicaux—négligeant ou écartant ainsi les autres programmes, qui laissent beaucoup à désirer.

Les conditions fiscales et financières dans la région ne sont pas très satisfaisantes. Le revenu par tête d'habitant au Nouveau-Brunswick s'établit à environ 70 p. cent de la moyenne nationale et d'après nos dernières statistiques, le Nouveau-Brunswick se place en avant-dernière position, pour ce qui est des dépenses au chapitre des frais médicaux—\$64,29 par rapport à \$134 par habitant en C.-B. et à \$60 pour Terre-Neuve.

Voilà, Monsieur le président, un bref tour d'horizon du régime de prestations de soins de santé dans votre circonscription. Je vous remercie de votre attention.

**Dr Thomas:** Merci, M. Bennett. M. Léon Richard exerce depuis quelque temps au nord du Nouveau-Brunswick et va nous présenter quelques observations.

**Dr. L. Richard (President-elect, Canadian Medical Association):** Mr. Chairman, what concerns me is that the fiscal base for health services cannot get smaller than it is presently; indeed, it should rather be increased. As our slide show has indicated, our health services have expanded at a steady pace and Canadians have benefitted from that growth. However, as any other services, they have undergone severe cutbacks and we have not reached the point where any further cutbacks could deeply affect our system.

Health services have experienced a boom that would have been unthinkable or unforeseeable a few years ago. Thanks to new discoveries, new treatments were extended to a much broader segment of our population. But they are very costly, because they involve the use of a very specialized and very

*[Texte]*

accapareurs d'une main-d'œuvre dispendieuse et spécialisée. Il faut que le peuple canadien se prononce pas la voix de ses élus et détermine l'importance de la priorité qu'il accorde à la santé.

Localement, chez nous, et plus spécifiquement chez vous, il nous faut des programmes de rattrapage en personnel et en facilités. Le Nouveau-Brunswick, qui n'a pas d'école de médecine, est au bas de l'échelle des provinces quant au personnel médical. Si nous examinons le personnel médical francophone, c'est encore plus frappant. Comme président du Comité provincial de la main-d'œuvre médicale depuis quelques années, j'ai pu constater que nous en étions presque rendus à l'état de crise.

Personnellement, il y a à peine quelques semaines, j'ai dû faire un voyage de recrutement en France pour des psychiatres francophones. Il est absolument impossible d'en trouver et d'intéresser des psychiatres canadiens-français, et des Acadiens, nous n'en avons à peu près pas, à venir s'installer chez nous.

La dernière fois que j'ai étudié les statistiques au Nouveau-Brunswick, elles me montraient qu'à peine 15 p. 100 des médecins au Nouveau-Brunswick étaient francophones, pour une population de 37 p. 100. Et je n'oserais même pas calculer le nombre de médecins francophones par mille de population dans votre région.

Il faut donc prévoir des encouragements substantiels aux universités qui acceptent de recevoir les candidats du Nouveau-Brunswick et il faut aussi prévoir des encouragements aux étudiants eux-mêmes pour qu'ils se dirigent vers les facultés de médecine. Ce n'est certes pas le temps de diminuer les places disponibles dans les facultés de médecine, du moins pour les étudiants du Nouveau-Brunswick. Au contraire, il faut en ouvrir d'autres et je doute que la province ait les moyens financiers nécessaires pour faire cela seule.

Des facilités nouvelles s'imposent pour recevoir cette clientèle d'âge d'or qui augmente en flèche et qui a comme effet de créer une morbidité accrue et de paralyser un grand nombre de lits actifs dans nos hôpitaux. Je ne suis pas convaincu que si l'on pouvait vider les 15 à 20 p. 100 de lits de nos hôpitaux qui sont maintenant occupés par des malades chroniques, on n'aurait pas suffisamment de lits actifs.

Il faut aussi verser des deniers publics pour la médecine préventive et il faut que les politiciens passent des lois et les fassent appliquer pour éviter autant que possible que les hommes s'entreuient sur les routes ou du moins se blessent et deviennent ainsi des charges permanentes de l'État.

Il y a bien d'autres domaines. Il faut non seulement prêcher la médecine préventive, mais il faut aussi la pratiquer et elle ne se pratique pas dans le vide, comme par miracle. Elle aussi est dispendieuse. Nos interventions suivent à peu près une même ligne de pensée aujourd'hui, vous le verrez, simplement parce que le problème est le même d'un bout à l'autre du pays. Il est peut-être plus aigu dans une province. Les problèmes sont peut-être plus aigus, plus importants, dans une province comme le Nouveau-Brunswick.

*[Traduction]*

expensive manpower. The Canadian people, through its elected representatives, must establish the kind of priority it wants to give to health care.

Locally, in our area and more particularly in yours, we need to catch up on manpower and facilities. We do not have a medical school in New-Brunswick and we are lagging behind all other provinces in terms of medical personnel. This problem is even more striking for French-speaking doctors. As chairman of the Provincial Medical Manpower Committee for a number of years, I came to realize that we were on the brink of a crisis.

Only a few weeks ago, I had to travel to France to recruit French psychiatrists. It is absolutely impossible to attract French Canadian psychiatrists, or Acadian psychiatrists for that matter, and we hardly have any.

Last time I studied statistics for New-Brunswick, hardly 15 per cent of MDs in the province were francophones, for a 37 per cent population. And I wouldn't dare calculate the number of French-speaking doctors per thousand people in your area.

Consequently, we must provide substantial incentives for universities which accept candidates from New-Brunswick and we must also encourage students to take medical studies. This is certainly not the time to cut back admissions into medical schools, at least for New-Brunswick students. On the contrary, we must open up new ones and I doubt that the province has the necessary financial means to do so on its own.

New facilities are required for our rapidly growing old age population which tends to increase our morbidity rate and takes up too many useful beds in our hospitals. I am not convinced that we would fill the gap in hospital beds if we could recover the 15 to 20 per cent hospital beds now occupied by chronic patients.

Public funding should be made available to preventative care and politicians should pass and enforce legislation in order to avoid, as much as possible, traffic accidents which result in people being crippled and becoming a permanent burden on society.

We should also be active in many other fields. Preventive medicine must not only be advocated but also put into practice, and we have to lay the necessary groundwork and be prepared to pay for it. You will notice that all our presentations follow the same line of thought: this is simply because we are all experiencing the same problems throughout the country. Maybe it is more acute and severe in a province such as New Brunswick.



[Text]

• 1015

Nous avons certes un bon système, mais il est dispendieux. Il est devenu anémique et il faut lui donner une transfusion et non pas le saigner encore davantage.

Monsieur le président, si j'ai dit ces quelques mots en français, c'est parce qu'entre vous et moi, on se comprend peut-être mieux dans cette langue. Merci.

**Dr. Thomas:** Merci, docteur Richard.

Now to outline some of the problems in the ridings of Verchères and Vaudreuil, I would like to ask Dr. Sylvain Laporte to speak.

**Dr Sylvain Laporte (Association médicale canadienne):** Monsieur le président, face aux problèmes engendrés par le vieillissement de notre population, dont notre collègue faisait tantôt mention, les recommandations de l'Association médicale canadienne sont à la base de la relance d'une nouvelle politique globale applicable à tous les Canadiens. Ces recommandations longuement mûries constituent la pierre angulaire d'une saine politique future à court et long terme. Les périodes de gloire durent rarement plus d'une décennie. Dans les années 1970, en comptant sur des programmes de prévention, on croyait devoir reculer les frontières de la maladie vers l'infini. Certains actuaire calculaient réduire le nombre de lits pour aigus à 2 par 1,000 de population. A Montréal, on a réussi à le réduire à 4 par 1,000 de population. Cependant, en sur-utilisant les lits, on doit augmenter le personnel. Or, le coût d'opération de ces hôpitaux augmente proportionnellement. L'expérience du Québec prouve que des lits sur-utilisés coûtent plus chers et rendent moins de services lorsqu'un certain pourcentage doit être sacrifié à d'autres fins. Les statistiques, d'ailleurs, démontrent que la province de Québec est celle qui compte le moins de lits par 1,000 de population. Cependant, elle est aussi celle où le *per diem* est le plus élevé de tout le Canada. En diminuant le nombre de lits en deçà des normes, on réalise peu d'économies.

Au début de cette décennie, on a considéré comme négligeables deux facteurs, reliés l'un à l'autre, qui vont devoir nous forcer à réviser toute la politique gouvernementale. Premièrement, le vieillissement de la population; deuxièmement, l'introduction de nouvelles techniques.

L'introduction et l'application de nouvelles techniques ont rendu sans contredit de très grands services en ces dernières années. Nous reconnaissons maintenant les bienfaits des anastomoses artérielles, des pontages, des cardio-stimulateurs, des prothèses qui améliorent non seulement la productivité mais surtout l'expectative de vie de toute la population. En effet, combien de ministres, d'hommes célèbres, de chefs de service bénéficient actuellement de ces nouvelles techniques. Au bout de la ligne, le nombre de personnes âgées augmente, d'un 5 ans à l'autre, en progression arithmétique. Les besoins en soins médicaux et en services sanitaires augmentent en progression géométriques. Une enquête menée par le CRSSS de Montréal... Il s'agit de ces minis-gouvernements qu'on a voulu installer pour conseiller le gouvernement provincial. Il y en a 15 au Québec. Il y en a un, un des CRSSS les plus importants, à qui on donne des fonctions administratives à Montréal. Une

[Translation]

We certainly have a good system but it is an expensive one which has become anemic and needs a transfusion more than anything else.

Mr. Chairman I said these few words in french because this is maybe how you and me understand each other best. Thank you.

**Dr Thomas:** Thank you, Dr. Richard.

J'aimerais à présent demander à M. Sylvain Laporte de nous exposer certains des problèmes rencontrés dans les circonscriptions de Verchères et de Vaudreuil.

**Dr Sylvain Laporte (Canadian Medical Association):** Mr. Chairman, our colleague was mentioning earlier the problems associated with the aging of our population. The Canadian Medical Association has made recommendations in order to promote a new and all-encompassing policy for Canada. These thoughtful recommendations are the corner stone of a sound short term and long term policy. Glorious times seldom last more than a decade. During the seventies, we had come to think that preventive medicine would almost drive sickness out of our lives. Some actuarial computations brought the number of acute hospital beds down to 2 per 1,000 population. In Montreal, we succeeded in reducing them to 4 per 1,000 population. However, when beds are over-utilized, staff has to be increased, and that in turn pushes up operating costs in hospitals. The experience in Quebec indicates that beds which are over-utilized are more costly and less useful when a number of them have to be put to other uses. According to statistics, the province of Quebec has the lowest ratio of beds per 1,000 population but at the same time, *per diem* applied in hospitals there are the highest in Canada. Bringing the number of beds below standards does not result in any significant savings.

At the beginning of this decade, we dismissed as negligible two factors, closely interrelated, which will now force us to reassess the whole governmental policy: they are, firstly, the aging of our population and, secondly, the introduction of new techniques.

There is no doubt that the introduction of new techniques over the last few years has been extremely beneficial: arterial anastomosis, by-passes, pacemakers, and prosthetic devices not only improve productivity but most of all extend the general life expectancy. Many ministers, celebrities, heads of departments avail themselves of these new techniques. But we must keep in mind that our population is rapidly aging as a result of this: the number of older people increases arithmetically, whereas the need for medical care and health services grows geometrically. In a survey conducted by the CRSSS in Montreal... well, I should perhaps specify that there are 15 CRSSS in Quebec, which are kinds of mini-governments set up to advise provincial authorities. Although the results from the survey launched by the CRSSS in Montreal—which ranks among the major ones, with administrative duties—have yet to be published, we are informed that acute care beds there



*[Texte]*

enquête menée par le CRSSS de Montréal, qui n'est pas encore dévoilée, nous révèle que tous les lits de soins aigus suffiraient à peine à combler les aspirations d'hébergement qu'exige la population de Montréal. En d'autres termes, pour satisfaire aujourd'hui aux besoins des personnes âgées, il faudrait, en l'espace d'un jour, doubler le nombre de lits, entraînant ainsi des budgets d'opération de près du double. Projet absurde, projet irréalisable, me direz-vous? Pour pallier à certains besoins urgents, on a institué un programme de transport gratuit par ambulance pour les personnes âgées. Cette gratuité a stimulé un apport de nouvelles clientèles aux hôpitaux. Aux premiers jours, nous manquions de civières; maintenant, c'est de places dans l'hôpital. Les hôpitaux sont systématiquement paralysés par au moins 30 p. 100 de malades à long terme, de sorte que les soins essentiels ou aigus ne sont pratiquement plus disponibles pour les malades électifs. Pour les vieillards tous les pèlerinages à l'hôpital ne se règlent pas par un miracle; nous les retournons insatisfaits dans leur milieu qui refuse souvent de les recevoir. Dans les pays où les souliers sont fournis gratuitement, personne n'a l'impression d'être bien chaussé. L'accessibilité est toujours limitée par la disponibilité, et la gratuité par un manque de fonds. Pourquoi ne pas faire appel et confiance au sens pratique des personnes du troisième âge? Pourquoi ne pas leur permettre de décider par eux-mêmes ce qu'il y a de meilleur pour eux? Pourquoi ne pas leur laisser leur choix ou leur liberté? L'inflation a presque ruiné les gens qui possédaient quelques économies. Les plus prévoyants qui ont amassé quelques centaines de mille de dollars peuvent à peine faire face à leur subsistance. Le Service social, par des politiques de secours direct aux gens sans emploi, les empêche d'avoir recours à une main-d'œuvre à bon marché. Pour vivre dans des conditions relativement décentes, il en coûte de \$10,000 à \$12,000 par année pour demeurer dans sa propre maison avec des services minimes. Pour vivre dans un centre d'accueil privé, il en coûte tout autant. Il n'y a donc pas de solution possible dans le secteur privé. Dans le secteur public, c'est l'encombrement et l'augmentation des coûts ne nous permet pas, ni à court ni à long terme, de satisfaire la majorité des personnes âgées. Les H.M.L., c'est-à-dire les loyers à prix modique, sont à la charge de nos municipalités, de nos gouvernements provinciaux. Ce sont des marchés de grecs. Par nos taxes foncières nous subventionnons des compétiteurs. Nos logements se vident et ne sont pas loués; par contre les taxes augmentent à cause de la participation des citoyens dans la construction des H.M.L.

• 1020

Ces nombreux programmes de cataplasme improvisés et à saveur politique doivent être revus en profondeur. L'État paternel achemine le groupe du troisième âge mains et poings liés vers une captivité définitive. Le gouvernement fédéral à qui on reproche ces intrusions par des moyens détournés dans le domaine de la santé ou de l'éducation, a le droit en appliquant l'article 91 de notre Constitution, de dépenser comme bon lui semble et comme il l'entend. En nous basant sur les grands principes recommandés par l'Association médicale canadienne, il nous apparaît que le revenu garanti par les retraités serait une solution digne et efficace. Les retraités qui

*[Traduction]*

hardly meet the needs of the population in Montreal. In other words, in order to meet the needs of older people, the number of beds as well as the operating budget would have to be doubled overnight. You might say that this would be ludicrous and unfeasible. The free ambulance transportation program was set up to respond to certain urgent needs. It led to an increased number of people coming to the hospitals. At the beginning, there was a shortage of stretchers; now, beds are lacking. Hospitals are systematically paralysed by at least 30 per cent patients with long term ailments; consequently, essential treatments or acute care are hardly available to elective patients. All those pilgrimages by old people to the hospital do not bring miracles; we send them back home where they often are not welcome. Things provided for free are not generally appreciated. Accessibility is always limited by availability and it takes some kind of funding in order to provide services free of charge. Why do we not rely on old people's common sense? Why not let them decide what is best for them? Why not let them choose freely? Inflation has almost ruined those with some savings. Those far-sighted enough to have accumulated a few thousand dollars have hardly enough to keep up. Social welfare keeps the unemployed from providing an unexpensive manpower. Old people must spend from 10,000 to 12,000 dollars a year to live in relatively decent conditions and stay in their own homes, with minimal services. It costs them the same amount to live in a nursing home. There is no solution in the private sector. The public sector is chronically overloaded and prevented by costs escalation to provide either short term or long term relief to the aged. Our municipalities and provincial governments are responsible for low rent housing (H.L.M.). These are very strange markets; through our land taxes, we are subsidizing our competitors. Our dwellings are losing their tenants but at the same time, tax increases are fuelled by citizens' participation in the building of H.L.M.

Such programs are strictly band-aid measures, they have political ramifications and we must review them thoroughly. The Big Brother-Welfare State is turning our old age population into permanent captives. The federal government is criticized for interfering in education and housing; but article 91 of our Constitution gives federal authorities the power to spend money as they see fit. Based on the main principles advocated by the Canadian Medical Association, we consider income guarantee as a worthy and efficient solution for required people. Those needing help or services will be able to turn to their Manpower centre and draw on the inexhaustible resource

[Text]

ont besoin d'aide ou de services auront les moyens de s'adresser à leur centre de Main-d'œuvre et de puiser dans l'interminable bassin de prestataires des services sociaux. Le jour où les retraités jouiront d'un revenu garanti, nous nous achèminerons vers une politique de plein emploi, de liberté de choix pour ces gens qui auront la liberté de demeurer dans leur logement, et de jouir peut-être du secteur privé ou du secteur public. C'est la seule solution qui s'inscrit dans le prolongement de la formation culturelle et sociale du peuple canadien, qui demeure un peuple fier, malheureux de voir ses retraités en hébergement. Nous comptons sur le gouvernement fédéral pour réorienter les services sanitaires et les services sociaux sur la voie de l'unité et du progrès, basés sur des principes d'équité, de dignité et si possible de plein emploi.

**Le président:** Merci, docteur Laporte.

**Dr. Thomas:** Mr. Chairman, our spokesman for the riding of Scarborough West is Dr. Geoff Isaac, a family physician from the area.

**Dr. G. H. Isaac (Canadian Medical Association):** Mr. Chairman, Scarborough is one of the municipalities which comprise Metropolitan Toronto, and this report comments on the medical facilities available. They would be available to Mr. Weatherhead in the unfortunate event that he was sick when he was visiting his riding. There are two acute general hospitals in Scarborough, with a total number of beds of 1,151. The number of beds has not changed since 1970, when OHIP began, but the population of Scarborough has risen from 313,000 to 427,000. The number of nonmedical staff working in these hospitals has not changed during the 10 years.

• 1025

Apart from a reduced number of obstetrical deliveries, all the parameters of workloads have increased. For example, over the past five years, at Scarborough General Hospital, patient days have increased by 10 per cent, x-ray examinations by 19 per cent and emergency visits by 9 per cent. This is without, as I say, any increase in the number of beds or any increase in the number of staff.

On a randomly chosen day in February, 1981, the two hospitals had a bed occupancy of 89 per cent. Of the patients in the two hospitals, there were 131 in-patients awaiting transfer to a long-term facility out of a total of 1,100-odd. It should be noted that in order for specialized staff and facilities to be available for appropriate patients, a bed occupancy rate of 80 per cent is considered a maximum by most authorities.

The emergency department at the Scarborough General Hospital processes over 100,000 patients a year in facilities designed to handle 60,000. What happens when the hospitals are bursting at the seams?

Firstly, elective surgery is cancelled. This causes inconvenience to patients who have planned to be off work for several weeks. Secondly, patients are discharged earlier than is medically desirable, and thirdly, the emergency department is closed to ambulances. The ambulances services are asked to take their patients elsewhere. There have been several occa-

[Translation]

constituted by social services beneficiaries. The day we grant a guaranteed income to retired people, we will be taking a step towards a full employment policy; they will be free to stay home and perhaps to choose whether they want public or private help. This is the only solution flowing naturally from the cultural and social values held by the Canadian people, who are hurt in their pride and feelings to see retired people being sent to nursing homes. We rely on the federal government to provide leadership in order to give us united and progressive health and social services, based on principles of equity, dignity and, if possible, full employment.

**The Chairman:** Thank you, Dr. Laporte.

**Dr. Thomas:** Monsieur le président, passons à présent au représentant de la circonscription de Scarborough-Ouest—M. Geoff Isaac, médecin généraliste.

**Dr. G. H. Isaac (Association médicale du Canada):** Monsieur le président, Scarborough est l'une des municipalités englobant la région métropolitaine de Toronto et le présent rapport porte sur les installations médicales qui y sont offertes. M. Weatherhead y aurait accès au cas où il aurait la malchance de tomber malade lors d'une visite à sa circonscription. Scarborough comporte deux hôpitaux généraux pour malades aigus et dispose, au total, de 1,151 lits. Depuis l'instauration de l'OHIP en 1970 le nombre de lits n'a pas augmenté mais la population de Scarborough est passée de 313,000 à 427,000. Le personnel non médical employé dans ces hôpitaux n'a pas augmenté depuis dix ans.

Hormis une diminution du nombre d'accouchements, on a enregistré une recrudescence d'activité dans tous les domaines. A titre d'exemple, à l'hôpital général de Scarborough, ces cinq dernières années, le nombre de journées d'hospitalisation a augmenté de 10 p. 100, de radiographies, de 19 p. 100 et de visites d'urgence, de 9 p. 100 sans pour autant entraîner une augmentation parallèle de nombre de lits ou du personnel.

En février 1981, pour prendre une journée au hasard, les lits dans les deux hôpitaux étaient occupés à 89 p. 100. Sur quelque 1,100 patients dans les deux établissements, 131 attendaient d'être transférés à un établissement de soins à long terme. Or, il faut signaler que la plupart des experts estiment que le taux d'occupation maximal dans un hôpital doit s'établir à 80 p. 100 pour que les malades puissent être à l'aise et bien soignés par le personnel spécialisé.

Le service des urgences de l'hôpital général de Scarborough traite plus de 100,000 patients par an alors qu'il n'est conçu que pour 60,000. Qu'arrive-t-il quand les hôpitaux sont surpeuplés?

On commence par éliminer les opérations chirurgicales sur demande, ce qui gêne les patients qui ont prévu de séjourner à l'hôpital pendant plusieurs semaines. Ensuite, les malades sont renvoyés plus rapidement que ne l'impose leur état de santé et enfin le service des urgences est fermé aux ambulances. On demande aux ambulanciers d'emmener leurs patients ailleurs.



## [Texte]

sions when every hospital in Metropolitan Toronto has closed its emergency department at the same time and the patients have had to go outside Metropolitan Toronto.

These events of the hospitals bursting at the seams occur frequently and add stress to an already strained hospital staff. The hospital staffs achieve a remarkably successful juggling act in equating the specialized hospital departments with the appropriate in-patients. Nevertheless there are occasions when monitoring equipment and other facilities are unavailable.

Even when the hospital is closed to ambulances, patients requiring admission arrive by other modes of transport and are regularly kept in the emergency departments over night until beds are vacated. Transferring patients to another hospital is time-consuming, difficult and sometimes impossible, as the average bed occupancy in the 21 Metropolitan Toronto hospitals is 91 per cent. The only alternative to the continued agonizing pressure to avoid admitting patients would be chaos in the system. It is unfortunate that the major criterion for admission is the availability of a bed rather than the condition of the patient.

Regarding technology, Mr. Chairman, apparently because inflation accounting is not applied to depreciation, most of the x-ray laboratory and other hospital equipment has not been replaced during the past 10 years in Scarborough. The entire field of nuclear medicine has developed during the past 10 years and waiting lists are long. Some equipment simply is not available. It is usually impracticable to transfer a patient for technological investigations to another hospital because budget provision is unavailable in the sending hospital or the waiting time at the other hospital is simply unacceptable.

If, for instance, Mr. Chairman, one has an in-patient requiring a CT body scan and the waiting list at the Toronto General Hospital is three months, you cannot hold up the treatment and the further investigation on an in-patient for three months until you get the body scan. Very few of the new technologies mentioned by Dr. Baltzen, developed in the last 10 years, are available in Scarborough.

Regarding long-term facilities, the hospital council of Metropolitan Toronto estimates that there is a deficit of 1,600 long-term care beds in Metropolitan Toronto and projects a deficit of 2,300 beds by 1985. It is almost impossible to admit a chronic patient directly to an appropriate facility. As a family physician, I have to admit such patients to an acute bed en route to long-term facility thus blocking an expensive acute bed.

• 1030

Because professional time is flexible, there appears to be no critical shortage in any of the medical specialties in Scarborough. Access to physicians is freely available. There are, however, impediments, as indicated, to access to technology

## [Traduction]

A plusieurs reprises, tous les hôpitaux de la région métropolitaine de Toronto ont dû fermer leur service d'urgence en même temps et il a fallu envoyer les patients se faire soigner à l'extérieur.

Les hôpitaux sont fréquemment débordés, multipliant ainsi les pressions exercées sur le personnel hospitalier déjà épuisé. Le personnel hospitalier parvient remarquablement bien à répondre aux besoins des malades hospitalisés grâce aux services spécialisés. Il arrive toutefois que le matériel de contrôle et les autres installations ne suffisent pas à la demande.

Même quand l'hôpital est fermé aux ambulances, les patients devant y être admis y sont acheminés par d'autres moyens de transport et doivent souvent passer la nuit à l'urgence en attendant que les lits soient libérés. Le transfert des patients à un hôpital prend du temps, c'est une opération complexe et quelquefois impossible, les 21 hôpitaux de la région métropolitaine de Toronto enregistrant en moyenne un taux d'occupation de 81 p. 100. La seule solution serait de refuser l'admission des patients mais ce serait intolérable et on réduirait à néant le système. Il est dommage que le principal critère d'admission se fonde sur le nombre de lits disponibles et non pas sur l'état du patient.

Monsieur le président, pour ce qui a trait à l'aspect technique du problème, on n'a apparemment pas tenu compte de l'inflation dans le calcul de l'amortissement: une grande partie du matériel de radiographie du laboratoire et de l'hôpital de Scarborough n'ont pas été remplacés depuis dix ans. La médecine nucléaire a fait de grands progrès ces dix dernières années et les listes d'attente sont longues. Il est tout simplement impossible de se procurer certains types de matériel. Généralement, on n'arrive pas à envoyer un patient ayant besoin d'examen technique à un autre hôpital, le premier établissement ne disposant pas du budget nécessaire tandis que le second exige des délais trop longs.

Si, par exemple, un patient nécessite un CT et que l'hôpital général a une liste d'attente de trois mois, on ne peut retarder son traitement ainsi que les examens nécessaires en attendant de se procurer l'appareil. L'hôpital de Scarborough dispose de très peu des nouvelles techniques élaborées au cours des dix dernières années et évoquées par M. Baltzan.

Quant aux établissements de soins de longue durée, le conseil hospitalier de la région métropolitaine de Toronto estime qu'il manque 1,600 lits destinés aux malades nécessitant des soins de longue durée dans la région et prévoit que ce nombre passera à 2,300 d'ici à 1985. Il est pratiquement impossible de faire entrer directement un malade chronique dans l'établissement qui lui convient. En ma qualité de généraliste, je dois faire monopoliser un lit destiné au traitement de maladies aiguës, très coûteux, avant qu'ils puissent être admis par un établissement de soins de longue durée.

Les médecins ayant des heures flexibles, on n'a constaté de pénurie grave dans aucune des spécialités à Scarborough. L'accès aux médecins est entièrement libre. On ne peut toutefois en dire autant sur le plan de la technique et des lits



*[Text]*

and to hospital beds. Shortage of hospital beds will only be partially relieved by the planned 330 long-term beds and the 210 acute beds to be provided in Scarborough by 1984. Only a substantial infusion of funds can complement and update acute and chronic beds and hospital technology.

It is impossible, Mr. Chairman, to measure the quality of medical care. Nevertheless, there are indicators that standards have started to fall and are likely to accelerate unless adequate funding becomes available.

Thank you.

**Dr. Thomas:** Thank you, Dr. Isaac. Next, Dr. Joan Charbonneau who is a family physician who practises and votes in Mississauga South.

**Dr. J. Charbonneau (Canadian Medical Association):** I do. Good morning. First of all, let me say what a great pleasure it is to be here to share with you my concerns. As mentioned, I am a family doctor who practises in Mississauga and my hospital privileges are with the Mississauga Hospital.

It is certainly evident to me that there are very grave problems with our health care system and those problems, from my perspective, stem from underfunding. We have a severe and, in many cases, a dangerous shortage of beds in the Mississauga Hospital. Our emergency department has become, by necessity, a virtual extension of our intensive care unit and it is now common for some seven to eight patients to be held in a crowded backroom in our emergency department overnight because intensive care beds are not available. I will tell you that at the moment, on any given night, chances are very good that a Mississauga resident, suffering a heart attack, will arrive at our hospital to find that there will be no bed available to him or her in our intensive care unit. As physicians, we are aware that these units were established, since placement in such a unit for the first 72 hours following such a serious medical condition can greatly prejudice the outcome of that condition.

At many times our internist on call is asked to play a rather bizarre game of Russian roulette, in that he arrives in the intensive care unit to be shown a list of our patients. He then has to make a decision as to who is the least critical of those critical patients in order to move them out to make room for more critically ill patients who are currently waiting in our emergency room. As physicians who are charged with the responsibility of these patients' lives, we are certainly not happy about this situation.

Last Friday, one such patient had been waiting in the emergency room of the Mississauga Hospital for 48 hours for placement in the intensive care unit. Recently, another example was a in-patient who suffered a cardiac arrest or stoppage of the heart. He was successfully resuscitated and, to the horror of the physicians, it was found that there was no bed in the intensive care unit. He actually had to be moved from his active treatment bed back to the emergency room to again wait there for a bed to open up in the unit. Twenty-five per cent of all of our active treatment beds in the Mississauga

*[Translation]*

d'hôpitaux. On a prévu, d'ici 1984, de doter Scarborough de 330 lits de soins de longue durée et de 210 lits pour maladies aiguës mais cela ne suffira pas à éliminer la pénurie. Seul un investissement considérable permettrait d'augmenter le nombre de lits destinés aux maladies aiguës et chroniques et de moderniser les techniques hospitalières.

Monsieur le président, il est impossible d'évaluer la qualité des soins médicaux. Toutefois, certains indices prouvent que les normes ont commencé à baisser et ce phénomène pourrait bien s'accélérer à moins qu'on ne consente des crédits supplémentaires.

Je vous remercie.

**Dr Thomas:** Merci, M. Isaac. La parole est à présent à M. Joan Charbonneau, médecin généraliste exerçant et votant à Mississauga Sud.

**Dr J. Charbonneau (Association médicale du Canada):** C'est bien cela. Bonjour. Tout d'abord, permettez-moi de vous dire que je suis très heureux de me trouver parmi vous ce matin pour vous faire part de mes préoccupations. Comme on vient de vous le dire, je suis généraliste et j'exerce à l'hôpital de Mississauga.

Il est très clair, à mon sens, que notre régime de soins de santé éprouve de graves problèmes découlant du manque de fonds. L'hôpital de Mississauga fait face à une grave pénurie de lits atteignant, bien souvent, des proportions dangereuses. Les circonstances nous ont amenés à utiliser notre service d'urgence pour suppléer au centre de soins intensifs et il arrive souvent aujourd'hui que sept à huit patients soient obligés d'y passer la nuit dans une arrière-salle bondée par manque de lits aux soins intensifs. Aujourd'hui, à Mississauga, c'est presque tous les soirs qu'un résident venant de subir une crise cardiaque arrive à notre hôpital alors qu'aucun lit n'est libre dans notre centre de soins intensifs. Or, les médecins savent que le placement d'un patient aussi gravement atteint dans ce genre d'unité pendant les 72 premières heures peut être décisif pour lui.

Souvent, l'interne de garde est appelé à jouer un jeu bizarre de roulette russe: dès son entrée à la salle de soins intensifs, on lui montre la liste des patients. Il doit faire un choix parmi les malades dont l'état est critique afin de faire de la place à ceux encore plus gravement atteints, placés provisoirement en salle d'urgence. Les médecins responsables de la vie de leurs patients estiment déplorable une telle situation.

Vendredi dernier, à l'hôpital de Mississauga, on a dû faire attendre un de nos patients 48 heures dans la salle d'urgence alors qu'il était censé être placé à la salle de soins intensifs. Autre exemple récent, celui d'un patient ayant subi un arrêt du cœur que les médecins ont pu, heureusement, réanimer pour s'apercevoir ensuite, avec effroi, que tous les lits du service de soins intensifs étaient tous occupés. On a dû le transporter de son lit pour soins actifs à la salle d'urgence où on l'a fait attendre jusqu'à ce qu'une place se libère. À l'hôpital de Mississauga, 25 p. cent de tous les lits pour malades nécessi-

*[Texte]*

Hospital are filled with chronic care patients, since our chronic care facilities in Mississauga are also hopelessly inadequate.

We, through the board of our hospital and our medical staff, made representation to our district health council regarding our urgent need for some 80 more chronic beds in a proposed upcoming expansion to our hospital. This proposal was approved by our district health council and put to our provincial ministry. It was then sent back to our district health council for further study. Our hospital board, as well as our medical staff, feels very stifled by what appears to be unhearing ears to our urgent needs.

Of the 75 per cent of remaining beds in our hospital, some 70 per cent of them are used up through admissions coming directly from our emergency room, which then leaves 30 per cent of these remaining beds accessible to people like myself, community physicians. Thus I am sure it will not surprise you that my patients now must wait some two to three months—these are not elective admissions, these are urgent admissions—on a waiting list, with such serious conditions as suspected cancers. They are awaiting admission for diagnosis and treatment. Clearly, to both me and my patients, this is most unacceptable.

• 1035

Last Sunday I checked with our admitting department to find there were some 30 patients on this waiting list and again none of these patients had what their physicians considered to be elective problems; they were all urgent. One of these patients was mine. She has very poorly controlled diabetes. She had managed to reach ninth on the list and this was after a wait of some four weeks.

In Mississauga the promise of medicare is not being met. My patients were offered reasonable access to health care. What they are currently receiving is rationing of health care by the queue. We are now being told by our hospital that we must take into account the effect on the budget of any new needed specialist applying for staff privileges. Even if a clear need can be shown and demonstrated for this type of specialist, it is lost in trying to balance our budget. Thus, it would seem to me that the budgets are no longer being designed to meet the health care needs of our patients; rather, their health care needs are being made to fit the budgets.

A good example, I think, of this that I would like to draw to your attention is the recent letter sent by Mr. Timbrell, Ontario's Minister of Health, to the Peterborough Civic Hospital in which he asked its board to consider an immediate freezing of all new medical staff appointments to that hospital in order to balance the budget. I would submit that in the field of medicine these kinds of actions are fraught with very serious consequences.

Recently I had the pleasure of travelling extensively throughout this province, speaking on numerous radio and television shows to the public, and it is now clear to me that the public has a growing sense of awareness that all is not well

*[Traduction]*

tant des soins actifs sont occupés par des malades chroniques, les installations pour soins chroniques laissant, elles aussi, très fort à désirer.

Nous projetons d'agrandir notre hôpital et, par l'intermédiaire du conseil d'administration et du personnel médical, nous avons fait part à notre conseil sanitaire de district du besoin urgent d'y ajouter quelque 80 lits supplémentaires pour malades chroniques. Le conseil sanitaire de district a approuvé notre projet dont a été saisi le ministère provincial qui le lui a renvoyé pour qu'il approfondisse la question. Le conseil d'administration de l'hôpital ainsi que le personnel médical ont très mal accueilli le fait qu'apparemment on se soucie bien peu de l'urgence de nos besoins.

Sur les 75 p. cent de lits restants à l'hôpital, quelque 70 p. cent sont occupés par les malades provenant directement de la salle d'urgence, ce qui laisse donc 30 p. cent de lits libres pour des médecins comme moi qui travaillent dans la collectivité. Vous ne serez donc certainement pas étonnés d'apprendre que mes patients doivent aujourd'hui s'inscrire sur une liste d'attente de deux à trois mois—or, il s'agit d'admissions à caractère urgent—alors que certains d'entre eux sont gravement atteints et ont peut-être le cancer. Le diagnostic et le traitement sont retardés et il est bien certain que mes patients et moi-même estimons que c'est tout à fait inacceptable.

Dimanche dernier, j'ai vérifié auprès du service des admissions: environ 30 patients figuraient sur la liste d'attente, tous ayant été recommandés par leur médecin qui avait jugé le cas urgent. L'une de mes patientes, atteinte gravement de diabète, était sur cette liste, en neuvième position, après quatre semaines d'attente.

L'assurance-maladie n'a pas rempli ses promesses à Mississauga. Au début, mes patients ont pu profiter, dans des limites raisonnables, des soins de santé. Aujourd'hui ils doivent faire la queue et on les leur dispense au compte-goutte. On nous prétent que l'hôpital doit tenir compte des incidences, sur le budget, du recrutement de nouveaux spécialistes qui réclameraient certains privilèges à titre d'employés. Même si le recrutement de certaines catégories de spécialistes s'avère absolument nécessaire, on accorde pourtant la priorité à l'équilibre du budget. Les budgets ne servent donc plus à présent à satisfaire les besoins médicaux des patients, c'est plutôt l'inverse.

Un bon exemple, à mon avis, c'est la lettre adressée récemment par le ministre de la Santé de l'Ontario, M. Timbrell, à l'hôpital civique de Peterborough, dans laquelle il demande au conseil d'administration de suspendre immédiatement toute nouvelle nomination parmi le personnel médical de manière à équilibrer le budget de l'hôpital. Ce genre d'initiative dans le domaine médical entraîne de graves conséquences.

J'ai eu récemment le plaisir de parcourir toute la province et de prendre la parole lors de nombreuses émissions à la radio et à la télévision. Il me semble clair, aujourd'hui, que le grand public a pris conscience des lacunes de notre régime de soins



## [Text]

within our health care system. I think they quickly become aware of this by experiencing overcrowded emergency departments, unacceptably long waits for hospital admissions, and inadequate diagnostic facilities within their area.

Mr. Blenkarn, you are my member and the Mississauga Hospital is in your riding. I appeal to you, sir, to convince not only the other members of this committee and your party, but the entire House of Commons, that not only should the funds available for health care not be trimmed but in fact there should be a massive increase in this funding so that the promise of this government can be met. That not only would there be a high level of health care available to all but that this health care would be reasonably accessible to them.

Once again, I thank you for allowing me to share these concerns with you this morning.

**The Chairman:** Thank you, Doctor.

**Dr. Thomas:** Thank you very much, Dr. Charbonneau.

Gentlemen, our final presentation is from a highly respected and senior member of the profession, a specialist in internal medicine from Lethbridge, Alberta, Dr. Hugh Arnold.

**Dr. Hugh Arnold (Canadian Medical Association):** Thank you, Mr. President, Chairman, and members of the task force. It is my pleasure to come before you today and to say a few further words along the common scene regarding the hospital problems.

It is apparent that an increasing population and increased numbers of elderly people require more health services and facilities in any community and I wish to comment briefly on the Lethbridge area of southern Alberta.

In the Lethbridge district there is a much higher proportion of the elderly than in the Province of Alberta as a whole: 10.6 per cent as compared to 7.5 in 1976. There is a high and increasing concentration of elderly in the city of Lethbridge. By 1991 the city's 75-and-over population will increase by 1,500 and in t 65-and-over group the increase will be 2,000.

• 1040

In 1979, 19.2 p. 100 of all occupied beds at the Lethbridge Municipal Hospital were filled by those 75 years and over. In the same year, 1979, 33.7 p. 100 of all beds were occupied by those 65 years and over. If no change occurs in the medical practice involving the elderly, and no new nursing beds are opened by 1991, those over 65 could occupy 41 to 44 per cent of all occupied beds.

On March 15, 1981, there was a waiting list for admission to the Lethbridge Municipal Hospital of 1,067 patients, and similar figures applied at the other general hospital, St. Michael's. Our existing general hospital bed total is 423; this will be augmented somewhat when a new regional hospital is completed three or four years down the road when we will have 483 beds. We sometimes close wards in the Lethbridge Municipal Hospital during the summer months, essentially, to help balance the budget.

## [Translation]

de santé. Il suffit pour cela de faire l'expérience des services d'urgence bondés, des longues attentes aux services d'admission des hôpitaux ainsi que des services de diagnostic insuffisants.

Monsieur Blenkarn, vous êtes mon député et l'hôpital de Mississauga se trouve dans votre circonscription. J'en appelle à vous pour convaincre les membres du comité, ceux de votre parti mais aussi toute la Chambre, de ne pas réduire le budget des soins de santé mais plutôt de l'accroître massivement de manière à ce que le gouvernement puisse s'acquitter de ses promesses. Il faudrait fournir à tous les citoyens des soins de santé d'excellente qualité et suffisamment accessibles.

Je vous remercie une fois de plus de m'avoir permis de vous exposer, ce matin, mes préoccupations.

**Le président:** Merci, Monsieur.

**Dr Thomas:** Merci beaucoup monsieur Charbonneau.

Messieurs, notre dernier intervenant est M. Hugh Arnold, spécialiste en médecine interne de Lethbridge, en Alberta, représentant éminent de notre profession qui s'est acquis le respect de tous.

**Dr Hugh Arnold (Association médicale canadienne):** Merci à vous ainsi qu'au président et aux membres du groupe de travail. C'est un grand plaisir pour moi de venir témoigner aujourd'hui et de vous exposer brièvement les problèmes du secteur hospitalier.

Dans toutes les collectivités, il est apparu qu'un nombre croissant de citoyens et plus particulièrement de personnes âgées, ont de plus en plus besoin de services et d'installations sanitaires et j'aimerais vous décrire brièvement la situation dans la région de Lethbridge, au sud de l'Alberta.

Le district de Lethbridge a un pourcentage plus élevé de personnes âgées que le reste de l'Alberta: 10.6 p. 100 par rapport à 7.5 p. 100 en 1976. La ville de Lethbridge comporte une concentration élevée et croissante de personnes âgées. D'ici 1991, le nombre de personnes de 75 ans et plus augmentera de 1,500 tandis que l'augmentation sera de 2,000 pour la catégorie des 65 ans et plus.

En 1979, les personnes de 75 ans et plus occupaient 19.2 p. 100 de tous les lits de l'hôpital municipal de Lethbridge. La même année, 33.7 p. 100 des lits étaient occupés par des patients d'un âge minimum de 65 ans. Si aucun changement n'est apporté aux méthodes de traitement des personnes âgées, et si on ne prévoit pour elles aucun lit supplémentaire d'ici 1991, les personnes de plus de 65 ans pourraient bien occuper de 41 à 44 p. 100 de l'ensemble des lits.

Le 15 mars 1981, 1,067 patients étaient inscrits sur la liste d'attente de l'hôpital municipal de Lethbridge et on enregistrait des chiffres analogues à l'autre hôpital général, St. Michael's. Notre hôpital général dispose aujourd'hui de 423 lits; lorsque le nouvel hôpital régional sera terminé, d'ici trois ou quatre ans, nous en aurons 483. Pendant l'été, nous fermons quelquefois des salles dans l'hôpital municipal de Lethbridge, surtout pour équilibrer notre budget.

*[Texte]*

The demographic studies indicate a 1991 projected population in Lethbridge of 73,300 from our present 53,300, and a district increase from 121,000 in 1976 to 166,000 in 1991. This will give us a 37 per cent increase in our total population and a 49 per cent increase in our people 55 years and older. There is an increasing number of long-term patients occupying acute hospital beds. This results in part from inadequate auxiliary and rehabilitation beds. We need 30 more auxiliary beds right now. There is an even greater need for more nursing home beds to accommodate those who need long-term nursing care, many of whom are in the acute or the auxiliary hospitals.

As of March 1979, we had 309 nursing home beds with an occupancy of 99 per cent. A total of 141 additional nursing home beds are needed in our district by 1991. As home care programs develop with the assistance of such groups as the Victorian Order of Nurses, there will be some relief in the care of long-term and chronic illness.

I would like to give you, just briefly, the waiting periods at this time in getting into or getting admission to a nursing home. For the male, the admission period is several weeks, and in the most desirable homes, for the female, several years. The average is certainly several months. In the auxiliary hospitals, for a short stay—up to 90 days, one can get admission fairly quickly, but for a long stay it takes three months. In senior citizens' homes, the average is around three months for any particular home but sooner if the home is assigned by the authorities.

I would like to say a word with regard to medical practice in southern Alberta. During the past fiscal year in Alberta, there were 2,644 physicians billing the Alberta health care insurance plan. There are approximately 100 physicians in the City of Lethbridge. In our area of the province, that is south of Calgary, west of Medicine Hat and north of the United States border, there are 212 physicians. Of the 212, probably 10 balance bill for all services. Thirty to forty do so on a selective basis; for instance, I practise with a group of 15 physicians, three of whom balance bill for certain maternity patients only. There is no other balance billing in our group. The practice is not prevalent in southern Alberta. Our area pioneered the prepaid medical care concept in the 1920s and 1930s, and the first four types of plans which were pioneered were physician-sponsored and physician-managed.

As of December, 1980 in Alberta, the number of patients who were balance billed for all or selective services was 33.7 per cent. The percentage of services balance billed was 6.33 per cent, and the amount, as a percentage of health care

*[Traduction]*

D'après des études démographiques, la population de Lethbridge qui est aujourd'hui de 53,300 personnes, passerait à 73,300 d'ici 1991; quant à la population du district, elle devrait passer de 121,000 en 1976 à 166,000 en 1991. Cela entraînera une hausse de 37 p. 100 de l'ensemble de notre population et une augmentation de 49 p. 100 du nombre des personnes âgées d'au moins 55 ans. Le nombre de patients nécessitant des soins prolongés et occupant des lits réservés aux maladies aiguës n'a cessé d'augmenter. Ce phénomène est dû, en partie, au manque de lits auxiliaires et de rééducation. Dans l'immédiat, nous avons besoin d'une trentaine de lits auxiliaires supplémentaires. Quant aux maisons de repos, elles ont encore plus besoin de lits permettant d'accueillir des patients nécessitant des soins de longue durée. Une grande partie d'entre eux ont d'ailleurs été placés dans des hôpitaux auxiliaires ou dans des établissements de traitement des maladies aiguës.

En mars 1979, nous comptons, dans nos maisons de santé, 309 lits occupés à 99 p. 100. D'ici 1991, notre district aura besoin, au total, de 141 lits supplémentaires de cette catégorie. Les programmes de soins à domicile mis sur pied avec l'aide de groupes tels que le Victorian Order of Nurses nous permettront de mieux traiter les maladies chroniques ou nécessitant des soins prolongés.

J'aimerais, à présent, vous donner quelques brefs renseignements sur les périodes d'attente imposées actuellement aux personnes désireuses d'entrer en maison de repos. Pour les hommes, cette période est de plusieurs semaines; quant aux femmes, elles doivent attendre plusieurs années pour les centres les plus recherchés. Elle est assurément de plusieurs mois, en moyenne. Dans les hôpitaux auxiliaires, pour un bref séjour—90 jours—le malade peut être admis relativement rapidement mais s'il s'agit d'un séjour plus long, le malade doit attendre trois mois et plus. Quant aux foyers pour personnes âgées, le délai moyen est de trois mois mais peut être raccourci si le choix du centre est effectué par les autorités.

J'aimerais à présent dire quelques mots concernant l'exercice de la médecine dans le sud de l'Alberta. Au cours du dernier exercice financier, 2,644 médecins étaient affiliés au régime d'assurance-santé de la province. On compte environ une centaine de médecins dans la ville de Lethbridge. Notre région, située au sud de Calgary, à l'ouest de Medicine Hat et au nord de la frontière des États-Unis compte 212 médecins, dont dix réclament un supplément d'honoraires pour toutes les catégories de services. Trente à quarante d'entre eux le font de manière sélective. Par exemple, j'exerce avec un groupe de 15 médecins dont trois ne réclament de supplément d'honoraires qu'à leurs patientes en maternité. Nous n'appliquons pas la surfacturation à d'autres domaines au sein de notre groupe et cette pratique n'est pas très répandue dans le sud de l'Alberta. C'est notre région qui a lancé, dans les années 1920 et 1930, le programme de soins médicaux par paiements anticipés et les quatre premiers types de programmes mis sur pied ont été lancés et gérés par des médecins.

En décembre 1980, en Alberta, 33.7 p. 100 des patients se sont vus réclamer des suppléments d'honoraires, au moins pour certains services. Les services donnant lieu à surfacturation ont représenté 6.33 p. 100 des honoraires perçus, et 3.35 p. 100 de



[Text]

payments, was 3.35 per cent; that is, balance billing is costing 3 cents on the \$1 for insured services.

• 1045

The average gross payments to medical doctors in Alberta for the fiscal year ending March 31, 1981 was \$83,631. Payments in the Lethbridge region were \$71,174 on average. This is \$12,457 less than the provincial average. The general practitioner received \$66,894 and specialists \$79,672.

In real terms, the schedule of benefits is 17 per cent lower than it was 10 years ago. We are recovering less in purchasing power. We have to work harder to keep up with inflation. This in turn may well lead to frustration and a malaise in the profession.

In Lethbridge, for the year ended March 31, 1980, the average income earned by Alberta Health Care Insurance Plan payments was \$71,174, and if you add 10 per cent income from other sources, \$8,000, this gives a total income of \$80,000. If you take off 45 per cent overhead, and my overhead in my group is 45 per cent—that is \$38,000 approximately—you are left with an income net of \$42,000, and in a 25 to 30 per cent tax bracket, you can see how your income is reduced. For the years of training, the hours of work and responsibility assumed in the practice of medicine, I think we have to do better for our physicians if we hope to maintain the quality of health care our people deserve.

Furthermore, we must improve and extend health care facilities to meet current unmet needs and the inevitable increase of those needs in the future.

I thank you, Mr. Chairman.

**The Chairman:** Thank you.

**Dr. Thomas:** Thank you very much, Dr. Arnold.

Gentlemen, the testimonials you have just heard were independently prepared but I think you will see that there is a common message. The problems are not localized, they are general; and I could give you a description of the problems as I know them in British Columbia and I am sure Dr. Wilson could do similarly for Kingston, and so on.

We would now like to turn to the recommendations we have put before this task force. The first one is that the Government of Canada, while recognizing the primary responsibility of provincial governments for health care, continue to play an active role in the financing of health care insurance. Successive governments of Canada have played a vital leadership and financial support role in the planning and operating of health care insurance programs and we can cite a few examples where the government has played a key role: in construction and equipping hospitals and clinics, in the building and developing of medical schools, in training centres for health care professionals and technicians, and particularly in promoting and developing a wide range of public health programs. This is not to mention the role that the federal government has played in the advancement of medical research, in the production of

[Translation]

l'ensemble des paiements pour soins de santé, soit 3 cents par dollars de services assurés.

Au cours de l'exercice financier se terminant le 31 mars 1981, les médecins de l'Alberta ont touché des honoraires bruts de \$83,631 en moyenne. Les montants, dans la région de Lethbridge, étaient de \$71,174 en moyenne, soit \$12,057 de moins que la moyenne provinciale. Les généralistes ont reçu \$66,894 et les spécialistes \$79,672.

En termes réels, nous gagnons 17 p. cent de moins que voici dix ans et notre pouvoir d'achat a baissé. L'inflation nous oblige à travailler davantage, ce qui peut susciter un sentiment d'aliénation et de malaise au sein de la profession.

A Lethbridge, pour l'exercice financier se terminant le 31 mars 1980, les paiements versés par le régime d'assurance-maladie de l'Alberta ont atteint en moyenne \$71,174 auxquels il faut ajouter 10 p. cent, soit \$8,000 au titre des revenus d'autres sources, ce qui donne un revenu total de \$80,000. De cette somme, il faut retrancher 45 p. cent de frais généraux—soit environ \$38,000 pour mon groupe—soit un revenu net de \$42,000, ce qui nous place dans la tranche d'imposition de 25 à 30 p. cent, c'est-à-dire encore une belle réduction de notre revenu. Quant on songe aux années de formation, aux heures de travail et aux responsabilités des médecins, il me semble qu'ils méritent bien mieux, surtout si nous voulons maintenir la qualité des soins auxquels ont droit les citoyens.

Par ailleurs, il conviendrait d'améliorer ou d'agrandir les établissements de soins et les équipements afin de satisfaire les besoins actuels et leur multiplication inévitable dans l'avenir.

Je vous remercie, monsieur le président.

**Le président:** Merci.

**Dr Thomas:** Merci beaucoup, monsieur Arnold.

Messieurs, tous les témoignages que vous venez d'entendre ont été préparés individuellement, mais je pense que vous y discernerez des points communs. Nous n'avons pas affaire à des problèmes locaux, mais bien à des problèmes généraux. Je pourrais passer en revue les difficultés que nous rencontrons en Colombie-Britannique et je suis convaincu que M. Wilson pourrait en faire autant pour Kingston.

Passons à présent aux recommandations que nous avons présentées au groupe de travail. La première est que le gouvernement fédéral, tout en reconnaissant la responsabilité majeure des provinces en matière de soins médicaux, doit continuer à financer activement l'assurance-maladie. Tous les gouvernements qui se sont succédé à la tête du Canada ont pris l'initiative en contribuant au financement de la planification et de l'exploitation du programme d'assurance-maladie. Voici quelques exemples de domaines où le gouvernement a joué un rôle crucial: la construction et l'équipement d'hôpitaux et de cliniques, la construction et la mise sur pied de facultés de médecine, de centres de formation destinés aux professionnels et techniciens de la santé et surtout l'élaboration et la promotion d'une large gamme de programmes publics de santé. Sans oublier l'assistance apportée par le gouvernement fédéral aux

## [Texte]

biologicals, and in the regulatory control and the assessment of those biologicals and drugs.

The task force is well aware of the role played by the federal government though the Health Insurance and Diagnostic Services Act of 1957 to create a comprehensive and universal acute care hospital and diagnostic services insurance program in every province and territory. Ten years later the government assumed a primary leadership role and responsibility for the introduction of medical care insurance through the Medical Care Act.

The role of the federal government, although huge, has received very little public recognition. No one seems to know that since hospital care insurance was introduced, the Government of Canada has contributed over \$30 billion to the program—I repeat, \$30 billion. Canada has also contributed another \$10 billion to provincial medical care insurance programs. In total the Government of Canada has contributed over \$40 billion for medicare; and that does not include huge financial support for the other programs I have mentioned.

• 1050

The federal government must be accorded considerable credit and assume a major portion of the responsibility for the introduction and financing of these programs, commonly grouped together and known by all as medicare.

Recommendation No. 2 is that the Government of Canada and provincial governments take collaborative action to correct the under-funding of health care in Canada. Mr. Chairman, we think table 4 on page 12 of our brief leaves little doubt that Canada's health care insurance program is suffering from under-funding, and I would like to display it for you now.

This table compares the expenditure on health care of Canada as compared with the expenditures of seven industrialized countries which have comparable health care programs. As you will see, in 1966, before the advent of medicare, Canada was expending 6.1 per cent of its gross national product on health care—a figure which compared very favourably with the other countries on our tables. As time went on, through the mid- and late 1960s, the comprehensive health care program in Canada developed, the expenditures increased very little. As time progressed, you can see that Canada fell behind other countries in expenditure on health care.

In 1976, Canada was spending 7.1 per cent of gross national product on health care, a figure which was lower than that of all other countries in this comparison, with the exception of the United Kingdom. If you express these figures slightly differently, as the average annual percentage increase per year, again you could say that Canada lagged well behind. If we take the decade 1966 to 1976, expressed as percentage change,

## [Traduction]

progrès dans le domaine de la recherche médicale, la production de substances biologiques ainsi que le contrôle et l'évaluation réglementaires de substances biologiques et de médicaments.

Le groupe de travail sait très bien quel rôle le gouvernement fédéral a joué en adoptant, en 1957, la Loi sur l'assurance-hospitalisation et les services diagnostiques visant à créer dans toutes les provinces et les territoires un programme d'assurance-maladie universel applicable au traitement des maladies aiguës ainsi qu'aux services diagnostiques. Dix ans plus tard, le gouvernement s'est chargé d'instaurer l'assurance-maladie par l'adoption de la Loi sur l'assurance-maladie.

Si le gouvernement fédéral a joué un rôle énorme, le grand public ne s'en est pas toujours rendu compte. Personne ne semble savoir que depuis la mise en place de l'assurance-hospitalisation le gouvernement fédéral a versé plus de 30 milliards de dollars aux programmes... 30 milliards, j'insiste sur ce chiffre. Le gouvernement fédéral a également versé 10 milliards de dollars supplémentaires au titre des programmes d'assurance-maladie provinciaux. Au total, plus de 40 milliards de dollars à l'assurance-santé, sans compter l'énorme appui financier accordé aux autres programmes que j'ai mentionnés.

Il faut reconnaître au gouvernement fédéral que c'est en grande partie grâce à son initiative et à son financement que les programmes aujourd'hui regroupés sous l'appellation assurance-maladie ont pu être créés.

Nous demandons, dans notre recommandation n° 2, que le gouvernement fédéral et les autorités provinciales coopèrent afin de remédier aux carences de financement des soins de santé au Canada. Monsieur le président, le tableau 4, page 12 de notre mémoire, illustre selon nous sans équivoque le fait que les programmes d'assurances-maladie au Canada souffrent d'une insuffisance de financement. Permettez-moi d'entrer quelque peu dans le détail.

Dans ce tableau, nous faisons une comparaison entre les dépenses de santé au Canada et les mêmes dépenses dans sept pays industrialisés disposant de programmes de santé comparables. Comme vous le voyez, en 1966, c'est-à-dire avant l'instauration du régime d'assurance-maladie au Canada, nous dépensions 6.1 p. 100 de notre produit national brut au titre des dépenses de santé: il s'agit là d'un chiffre très honorable par rapport aux autres pays faisant l'objet de la comparaison. Cependant, surtout à partir du milieu des années 60, les dépenses de santé n'ont augmenté que très lentement au Canada et nous avons commencé à accumuler du retard dans ce domaine par rapport aux autres pays.

En 1976, le Canada dépensait 7.1 p. 100 de son produit national brut au titre des dépenses de santé, soit une proportion inférieure à celle de tous les autres pays mentionnés dans le tableau, à l'exception du Royaume-Uni. Exprimé d'une façon légèrement différente, c'est-à-dire en pourcentage moyen d'augmentation annuelle, on constate encore une fois que le Canada est à la traîne, avec une augmentation moyenne de 1.5 p. 100 par an. Si nous nous intéressons aux variations de ce



## [Text]

the difference becomes even more apparent. Canada had expended, in total, a 16 per cent increase.

On the next graph, this line graph, we see expenditures of the same countries compared and contrasted with expenditures in Canada. As you can see, beginning in the 1966-67 era, most of the countries compared were increasing their expenditures at approximately the same rate. But notice that in 1971 Canada stopped increasing its expenditures on health care, and since that time, in effect, the percentage of expenditure on health care in Canada has levelled off.

If one extrapolates this graph and expands the expenditures in the United Kingdom and in Canada, assuming Canada's expenditure remains constant, one can see that even the United Kingdom would outstrip the expenditure in Canada at a point approximately here.

• 1055

Now this graph depicts the percentage increase in spending on health care as a percentage of gross national product, averaging the six other industrialized nations we have previously described and comparing them with Canada's percentage increase in the same time frame. In 1968 we see that Canada was competing reasonably well with the average in the other countries. But as time goes on, the discrepancy becomes more apparent. In 1976, the last year for which we can make this comparison, we see that there is a highly significant gap between the average of the other industrialized nations and the expenditure over the decade here in Canada. Gentlemen, this deficit is what we referred to as Canada's health care spending gap.

More recent confirmed data show that health care expenditures in the United States reached 9.1 per cent of GNP in 1978, and Canadian expenditures fell to 7.04 per cent of GNP in 1977 and have remained at about that level through 1978. Preliminary estimates for 1979 show a marginal increase to 7.14 per cent. Clearly, in increases in the proportion of GNP spent on health care, Canada has not kept pace with these comparable countries. This is critically important because the increased proportion of GNP spent reflects the cost of implementing new procedures and techniques and other quality improvements in the health care system.

Neither the federal government nor the introduction of the EPF financing method can be held completely responsible for cost restraints. The data we have submitted clearly show that the excessive cost restraints by the provinces started before the 1977 EPF agreement; and this is demonstrated in our table 4. The data also show that some provinces were unwilling or unable to increase their support of medicare to a level comparable with that of the Government of Canada, as demonstrated in table 6.

The federal government's increase in payments in these years was predicated on some reduction in provincial spending on health insurance programs so that the provinces could

## [Translation]

pourcentage pendant la décennie 1966 à 1976, l'écart devient encore plus perceptible, avec une augmentation de 16 p. 100 en tout pour le Canada.

Le dernier graphique permet de mettre les dépenses consenties au Canada en rapport avec celles engagées par les autres pays. Comme vous le voyez, à partir de 1966-67, la plupart des autres pays augmentent leurs dépenses de santé à un rythme sensiblement analogue. Vous remarquerez cependant qu'en 1971, le Canada a cessé d'augmenter ses dépenses de santé et, depuis, il y a stagnation du pourcentage que représentent ces dépenses.

Si l'on projette les résultats de ce graphique pour prévoir les dépenses de santé respectives au Canada et au Royaume-Uni, nous voyons que même ce dernier nous dépassera à peu près à ce point-ci du graphique.

Le présent graphique décrit l'augmentation des dépenses de santé exprimées en pourcentage du produit national brut; on y trouve la moyenne des six pays industrialisés cités plus haut ainsi que l'augmentation du pourcentage au Canada pendant la même période. Nous voyons qu'en 1968, le Canada était relativement bien placé par rapport aux autres pays. Cependant, l'écart se creuse avec le temps et en 1976, dernière année pour laquelle nous disposons de données comparatives, nous voyons que le Canada s'est laissé distancer par les autres pays industrialisés au cours de la décennie étudiée. C'est ce que nous appelons, messieurs, le déficit de financement des soins de santé au Canada.

Des données officielles plus récentes indiquent que les dépenses de santé aux États-Unis ont atteint 9.1 p. 100 du PNB en 1978 alors que les mêmes dépenses représentaient 7.04 du PNB au Canada en 1977 et n'ont pas progressé au cours de l'année 1978. Les prévisions pour l'année 1979 font état de 7.14 p. 100, soit une augmentation marginale. Il est évident que le Canada n'a donc pas soutenu le rythme adopté par les autres pays. Or, il ne faut pas oublier que l'augmentation des dépenses de santé proportionnellement au PNB reflète le coût de mise en application de nouvelles méthodes et de nouvelles techniques ainsi que l'amélioration qualitative de notre système médical.

On ne peut imputer l'entière responsabilité de ces restrictions financières ni au gouvernement fédéral ni à l'instauration du financement des programmes établis (FPE). En effet, les données que nous vous avons soumises montrent clairement que ces restrictions financières exagérées avaient été imposées par les provinces avant la conclusion, en 1977, des accords de FPE, comme l'indique notre tableau n° 4. Par ailleurs, notre tableau n° 6 illustre bien que certaines provinces ne sont pas disposées à assumer une part de financement des programmes d'assurance-maladie égale à celle du gouvernement fédéral, ou qu'elles n'en ont pas les moyens.

Durant ces années, le gouvernement fédéral avait assorti ses versements de la condition que les provinces réduiraient leurs dépenses au titre de certains programmes d'assurance-maladie

*[Texte]*

spend more on other health care programs. However, the data suggest that the provinces did not spend all of these moneys on health care.

In recommendation No. 3 we suggest that the financial support of governments for health care be increased to reach a level of 8.2 per cent of gross national product by 1985; and that further, the increased federal government payments be conditional on appropriate increases in health expenditures by provinces.

The developments and programs we have outlined to you have major health cost implications. Many of them result from very sophisticated and expensive techniques, both in capital and in operating costs. Most of these demand employment of more, and more highly trained and more expensive personnel. Labour costs are often a major factor in the production of products and the provision of services, and the medical care services demand a labour-intensive industry. Over 75 per cent of hospital costs are for labour, and hospital costs comprise 50 per cent of health care costs. Private medical practice, all health care, is essentially a service, labour-intensive, industry.

## • 1100

While the results of health care improvements are an extended life expectancy and an improved quality of life, they also generally mean a more extended period and more expensive treatment, and cost increases are magnified when a new development becomes a routine component of health care thereby spreading the application to a larger percentage of the potential population. We have shown you a few obvious examples this morning in our slide show. Yesterday's research tools become today's accepted modes of treatment.

As Canada's population increases by increased utilization in general and, in particular, the older the population grows in terms of total numbers and percentage of the population, so go the increased costs. Canadian citizens have been given an implied, if not explicit, promise by government that they have a right to an unlimited supply of all that medical science has to offer. Public expectations have increased in terms of quality, availability, extent and volume of health services desired, if not demanded.

Indeed, there has been a considerable broadening of what in the public opinion constitutes health care, what should be and what is financed by medicare. Major ongoing costs are inevitable. The introduction of new services, with increased demands and more extensive provision of the services combined with continued inordinate government restraint on health care funding, can only lead to a deterioration in the quality of care provided.

The CMA is convinced that the Canadian health care system has exhausted its ability to compensate for inadequate

*[Traduction]*

afin de pouvoir les réorienter vers d'autres programmes de santé. Cependant, les données dont nous disposons indiquent que les provinces n'ont pas consacré ces fonds exclusivement à des dépenses de santé.

Dans notre recommandation n° 3, nous demandons que le financement accordé par les gouvernements aux soins de santé atteigne 8.2 p. cent du PNB d'ici 1985; nous recommandons également que le gouvernement fédéral assortisse son aide de la condition que les provinces augmentent dans la proportion qui s'impose leur part de financement des soins médicaux.

Les programmes que nous avons décrits ici et leur évolution ont une incidence considérable sur les coûts de santé au Canada. Un grand nombre d'entre eux supposent de très importants investissements et des frais d'exploitation élevés, car ils mettent en œuvre des techniques extrêmement complexes. De plus, ils font pour la plupart appel à un personnel nombreux, spécialisé et par conséquent plus coûteux. La main-d'œuvre représente souvent une part importante des coûts de production des biens et services et la fourniture de services médicaux suppose un fort coefficient d'utilisation de personnel. Plus de 75 p. cent des coûts hospitaliers sont imputables à la main-d'œuvre et les coûts hospitaliers représentent la moitié des dépenses de santé. Les soins médicaux, qu'ils soient dispensés en pratique privée ou dans un établissement public, constituent un service et le coefficient attribuable à la main-d'œuvre y est très élevé.

Les progrès accomplis en matière de soins médicaux ont certes permis d'accroître la longévité et d'améliorer la qualité de la vie, mais ils ont, par ce fait même, prolongé la période pendant laquelle une personne se verra dispenser des soins, lesquels coûtent de plus en plus cher à mesure que l'on intègre les résultats de découvertes récentes à la gamme des traitements accordés à une fraction de plus en plus large de la population. Nous vous en avons montré certains exemples évidents ce matin, lors de notre diaporama.

Cette évolution conduit à une accélération de la croissance démographique au Canada ainsi qu'à un vieillissement de notre population, avec augmentation parallèle des coûts de santé. De manière implicite sinon expresse, le gouvernement canadien a garanti à ses citoyens qu'ils auraient accès, sans la moindre limitation, à tout ce que peut offrir la science médicale. C'est pourquoi ils s'attendent aujourd'hui à ce qu'on mette à leur disposition des services médicaux extrêmement complets et d'excellente qualité.

Il est certain que dans l'esprit du grand public, la notion de ce que représentent les soins médicaux couverts par les régimes d'assurance-santé s'est considérablement élargie. L'instauration de nouveaux services, le recours de plus en plus fréquent à une gamme élargie de prestations entraînent inéluctablement d'importants coûts permanents; conjuguée à des restrictions financières souvent excessives imposées par le gouvernement aux services médicaux, cette situation ne peut qu'entraîner une détérioration de la qualité des soins dispensés.

L'AMC est convaincue que le régime de soins médicaux canadien ne peut davantage chercher à pallier les carences de



## [Text]

funding without seriously affecting the availability and quality of health care. We are seriously concerned about any action that the federal government might take that would have an effect of failing to provide additional funding for health care services. Canada must allocate a larger proportion of the Gross National Product to health care. We believe that, as a minimum goal, an orderly annual increase reaching a level of 8.2 per cent of GNP by 1985 is clearly indicated. That level will require increased support from both levels of government. Thus, we stress that increased federal government payments must be conditional on appropriate increases in health care expenditures by the provinces.

Coming to recommendation No. 4 we say that the Established Programs Financing Act formula must be revised to provide increased funding for the less affluent provinces. Less developed provinces in particular will require more money from the federal government to offset essential growth costs in excess of their financial capabilities. We do not have data that accurately reflect differences in the financial capabilities of the provinces and their ability to finance health care. However, the tremendous variation in the estimated 1980-81 per capita tax point yield from \$76 in Newfoundland to \$163 in Alberta is one of several indicators that leaves no doubt that there are considerable variations in the abilities of the provinces to pay for increased health care costs.

• 1105

The CMA believes that the EPF formula needs restructuring so as to provide more money to the less developed provinces, that is, the federal government should provide more financial help to those most in need of that help. We believe that such a fiscal mechanism is necessary to allow the evolution of provincial health care programs which are relatively comparable, and that will protect what Mr. Justice Emmett Hall described as the truly national character of medicare. This concept has been appropriately recognized in the proposed Canadian constitution, and Parliament and the Government of Canada are committed to taking such measures as are appropriate to ensure that provinces are able to provide the essential public services referred to and without imposing any undue burden on provincial taxation. The CMA believes that there can be no question that health care insurance warrants such priority consideration by Parliament and the Government of Canada.

Finally, sir, we recommend that the government recognize the important role of private funding for health care services. Direct patient participation in the payment for health care is significant. About 24 per cent of over-all health costs is paid directly by the people involved, most of this for uninsured services such as drugs and dental care. Ideally, limitations on private funding should be eliminated so that the public could voluntarily offset the underfunding of the system caused by excessive government spending restraints. Private payments within the system are a safety valve that the system badly needs.

## [Translation]

financement sans opérer des coupes dans l'offre et dans la qualité des soins. Si le gouvernement fédéral devait décider de ne pas accorder de fonds supplémentaires aux soins de santé, les conséquences pourraient être graves. Nous croyons au contraire que le Canada doit allouer à ce secteur une part plus importante de son produit national brut. On pourrait se fixer comme objectif minimum une augmentation annuelle régulière permettant d'atteindre 8.2 p. 100 du PNB d'ici 1985. Il faudra pour cela que les deux paliers de gouvernement augmentent leurs contributions. C'est pourquoi nous soulignons à nouveau que le gouvernement fédéral doit assortir l'augmentation de ses contributions de la condition que les provinces augmenteront de leur côté leurs dépenses au titre de la santé.

Venons-en, si vous voulez bien, à la recommandation n° 4: nous pensons que la formule de la Loi sur le financement des programmes établis doit être révisée afin d'augmenter le financement accordé aux provinces les moins riches. Ces dernières auront besoin d'un surcroît de fonds fédéraux afin d'absorber certains coûts essentiels à la croissance et qui dépassent leurs capacités financières. Nous manquons de données précises sur les capacités financières respectives des provinces, notamment dans le domaine de la santé. Cependant, l'écart énorme entre les prévisions de rendement des points d'impôt par habitant pour la période 1980-81 (de \$76 à Terre-Neuve à \$163 en Alberta) est un des nombreux indicateurs qui confirment, de manière formelle, les disparités considérables dans les moyens dont disposent les provinces pour financer l'augmentation des coûts de santé.

L'AMC pense qu'il faudra restructurer la formule d'EPF afin que le gouvernement fédéral accroisse son aide financière aux provinces les moins développées, donc celles qui en ont le plus besoin. Nous pensons que ce genre de mécanisme fiscal est nécessaire si l'on veut permettre une évolution relativement uniforme des régimes provinciaux des soins médicaux. Cela permettra de préserver ce que Monsieur le juge Emmett Hall appelait le caractère authentiquement national de *Medicare*. Cette idée a été reconnue à juste titre comme il se devait dans le projet de constitution canadienne et le Parlement ainsi que le gouvernement du Canada se sont engagés à prendre les mesures nécessaires afin que les provinces puissent offrir les services publics essentiels mentionnés, sans pour autant imposer un fardeau injustifié au régime fiscal provincial. L'AMC considère que l'importance de la question de l'assurance-maladie justifie pleinement que le Parlement et le gouvernement du Canada l'étudient en priorité.

Enfin, Monsieur le président, nous recommandons que le gouvernement reconnaisse le rôle important que joue le financement privé en matière de services de santé. En effet, les paiements directs effectués par les patients jouent un rôle des plus importants. Environ 24 p. cent des coûts de santé sont versés directement par les patients, pour la plupart en échange de services non assurés tels que les médicaments et les soins dentaires. Le mieux serait que l'on supprime les limites imposées au financement privé afin que les particuliers puissent, de leur propre gré, compenser les carences de financement du système engendrées par les restrictions financières excessives.

[Texte]

For example, the number of physicians opting out or billing patients directly that exists at any one time is related to the adequacy of medicare payments. If benefit schedules are appropriate, direct billing to patients is reduced. This has been amply proven by the experience in Ontario, Alberta, Saskatchewan and Prince Edward Island. The amount of private billing that exists is the most reliable barometer available to indicate whether provincial governments are fulfilling their responsibility to reasonably compensate physicians, one more but generally ignored fundamental term or condition outlined in the medical care act. In our opinion, sir, more meaningful levels of private money should also be available to our hospitals. Hospital costs, which are very extensive, include both hotel costs and service costs. Some predetermined, limited part of the hotel costs, such as food costs, should be borne by patients on an ability-to-pay basis.

We believe that Canadians must establish priorities and set attainable minimum goals to improve the financing of our health care system. If we establish an expenditure of 8.2 per cent of GNP as a goal to achieve within the next five years, we shall still lag behind comparable countries but we would be making a meaningful adjustment to place the financing of our health care system in proper perspective. If health care costs and GNP grow at the same rate, this means we would have to realize an annual increase in health care expenditures 2.8 per cent above the GNP increase as a minimum target. On page 39 of our brief we have given you a rough estimate of what this will mean in dollars and cents for health care funding in general, and specifically for the Government of Canada. The people of Canada invariably rate health care insurance or medicare as the most valuable, most appreciated service provided by government. We believe that the public ascribe that connotation to government in the generic sense, not specifically related to either federal or provincial governments. The CMA is convinced that the public, the voters of all political persuasions at all levels, would not countenance action which would seriously endanger Canada's health care system, the quality, accessibility or the delivery of health care, whether that action were instigated by the federal or provincial governments, the medical profession or any other segment of society. In the simplest terms, gentlemen, underfunding is dangerous to your health.

• 1110

We thank you for your indulgence and we will be pleased to answer any questions.

[Traduction]

imposées par le gouvernement. Ces paiements directs constituent une soupape de sécurité pour un système qui en a grandement besoin.

Ainsi, lorsqu'on étudie une période donnée, on constate que le nombre de médecins qui se désaffilient ou qui facturent directement leurs honoraires à leurs patients est directement fonction des montants remboursés par le régime d'assurance-maladie. Si les barèmes de prestations sont suffisants, la facturation directe s'en trouve réduite. Cela a été amplement démontré par ce qui s'est passé en Ontario, en Alberta, en Saskatchewan et à l'Île-du-Prince-Édouard. En fait, le montant que représente la facturation directe au patient est le baromètre le plus fiable permettant de déterminer si les gouvernements provinciaux s'acquittent de leurs responsabilités et accordent une indemnisation suffisante aux médecins. Rappelons au passage qu'il s'agit de l'une des conditions fondamentales, quoique trop souvent ignorée, de la Loi sur l'assurance-maladie. Nous pensons également qu'il faudrait augmenter le financement des hôpitaux à partir de capitaux privés. Les frais hospitaliers, qui sont très lourds, comprennent tant les frais d'hébergement que le coût des services dispensés. Il faudrait que selon une formule fixée à l'avance, au moins une partie des frais d'hébergement, disons les repas, soit supportée par les patients en fonction de leur solvabilité.

Nous pensons qu'il incombe aux Canadiens de se fixer des priorités et de se donner des objectifs minima à atteindre afin d'améliorer la santé financière de notre système médical. Si nous nous fixons comme objectif d'atteindre d'ici cinq ans le taux de 8.2 p. cent de notre PNB, nous ne rattraperons pas pour autant les pays à niveau de vie comparable au nôtre, mais nous aurons au moins apporté une correction importante à l'évolution du financement de notre système médical. Si les frais de santé et le PNB augmentent au même rythme, il faudra que nous nous fixions comme objectif minimum une augmentation annuelle des dépenses de santé qui soit supérieure de 2.8 p. cent à la croissance du PNB. On trouvera à la page 39 de notre mémoire une approximation du montant que représentera le financement des soins médicaux de manière générale et particulièrement à l'égard du gouvernement du Canada. La quasi totalité des Canadiens accordent à l'assurance-maladie une énorme importance et considère qu'il s'agit du service le plus essentiel offert par le gouvernement, le terme étant pris dans un sens général, car le public n'attribue pas, selon nous, de responsabilités spécifiques en la matière à tel ou tel palier de gouvernement. L'AMC est convaincue que la population, c'est-à-dire les électeurs à tous les niveaux et quelle que soit leur affiliation politique, n'admettraient pas que quiconque, gouvernements fédéral ou provincial, profession médicale ou tout autre groupe, prenne des mesures qui auraient pour effet de menacer notre régime d'assurance-maladie ou d'en réduire la qualité ou l'accès. Si vous me passez l'expression, messieurs, l'insuffisance de financement est nuisible à votre santé.

Nous vous remercions de votre patience et nous nous ferons un plaisir de répondre à vos questions.



[Text]

**The Chairman:** Thank you very much, Dr. Thomas. Is it agreed that the submission we received also be appended to our proceedings? It was not read verbatim in the record.

**Some hon. Members:** Agreed.

**Mr. Herbert:** I would also suggest that the charts which were shown on the screen . . .

**The Chairman:** Are all the charts there?

**Dr. Thomas:** We will make them available.

**The Chairman:** Could you make them available?

**Mr. Herbert:** They should also be attached to the minutes.

**The Chairman:** Would you take note that they include the charts also? It has been suggested to me that it may be healthy to have a three-or four-minute break at this time before we go to question.

• 1113

• 1116

**The Chairman:** Order, please. The first questioner will be Mr. Hal Herbert.

**Mr. Herbert:** Dr. Thomas, I will not be very long in my questioning. I would first like to say that I congratulate the Canadian Medical Association on the quality of the brief which they have submitted to this committee today. At the same time, I may be a little critical, maybe, if I suggest that you are possibly trying to play on our emotions. Just to put that in perspective, let me suggest to you that some of us over the course of the years have experienced change that has taken place in Canada in the medical profession and probably do not need to be hit over the head to appreciate that there is still quite a bit to be done.

Certainly, in my own case, in my personal life, I have had problems, heart troubles, cancer, liver and kidney, and goodness knows what else; however, on the other side, the brighter side, I suppose, I have also had the opportunity as a general contractor to participate in the building of some of the hospitals that have been mentioned today. The Scarborough Hospital, for example: my company built the large extension there under the close supervision of the very devoted nurses who are responsible for the administration of that hospital. We also built the front of the Children's Hospital in Toronto and the doctor's Hospital. So I have some firsthand knowledge of the physical aspects that are available today.

Also, I should mention—because it is important to our deliberations—that I have in my riding the huge veterans' hospital in Sainte-Anne-de-Bellevue. So I have also firsthand knowledge of comparison of acute care treatment and chronic care treatment. So it is not without knowledge that some of us look at the problems that confront us as members of this committee.

[Translation]

**Le président:** Merci infiniment, M. Thomas. Sommes-nous d'accord pour faire annexer le mémoire qui nous a été présenté aux comptes rendus de nos délibérations, étant donné qu'il n'a pas été lu intégralement?

**Quelques députés:** Entendu.

**M. Herbert:** Je souhaiterais également que les diagrammes qui ont été projetés . . .

**Le président:** Est-ce que tous les diagrammes sont inclus?

**Dr Thomas:** Nous le joindrons au mémoire.

**Le président:** Cela ne causera pas de problème?

**M. Herbert:** C'est parce qu'il faudrait également les annexer aux comptes rendus.

**Le président:** Ayez l'obligeance de noter que le mémoire comprend également les diagrammes. Merci. Je me suis laissé dire qu'il serait bon pour notre santé que nous nous accordions une pause de trois ou quatre minutes avant de passer aux questions.

**Le président:** A l'ordre, s'il vous plaît. Je donne la parole à M. Hal Herbert.

**M. Herbert:** Monsieur Thomas, je ne vous retiendrai pas longtemps. Permettez-moi tout d'abord de féliciter l'Association médicale du Canada pour le mémoire remarquable que vous avez soumis aujourd'hui en son nom à notre comité. Permettez-moi également de faire observer que vous semblez quelque peu enclin à jouer sur nos sentiments. Je veux dire par là qu'un certain nombre d'entre nous suivons depuis bien des années l'évolution de la profession médicale au Canada et il n'est pas nécessaire de faire jouer les grandes orgues pour nous faire comprendre qu'il nous reste encore beaucoup à accomplir.

J'ai eu, quant à moi, plus que ma part d'ennuis de santé: troubles cardiaques, cancer, maladies du foie et des reins, et j'en passe. Mais pour en venir à des choses plus réconfortantes, j'ai eu l'occasion, en ma qualité d'entrepreneur en construction, de participer à l'édification de certains des hôpitaux dont on a parlé aujourd'hui, notamment l'hôpital de Scarborough: ma société a construit l'aile qui a été ajoutée au bâtiment et les travaux se sont déroulés sous l'étroite surveillance des infirmières très dévouées et compétentes qui sont responsables de l'administration de cet hôpital. Nous avons également construit la façade de l'hôpital pour enfants de Toronto ainsi que le Doctor's Hospital. C'est pourquoi je connais très bien les établissements et les installations de notre système médical actuel.

Je tiens également à mentionner, parce que cela a une certaine incidence sur nos délibérations, que le très gros hôpital pour anciens combattants de Sainte-Anne-de-Bellevue se trouve dans ma circonscription. C'est pourquoi je suis parfaitement en mesure de faire une comparaison entre le traitement de cas aigus et le traitement des maladies chroniques. Tout cela pour dire que bien souvent, les membres de

[Texte]

I have found somewhat strange two of the things you have dwelt on: one, you said Canada has one of the best health care systems in the world today and then you also went to some length to tell us that life expectancy in Canada was increasing at a greater rate than in most other countries; having told us that all is right with the world in Canada, you then proceeded at great length to tell us what is wrong.

Unfortunately, I feel—and I have said this to many groups such as yours—that you fail to come to grips with the problem of this committee. We have to look not at whether or not there are adequate funds being made available at the federal level, but whether there are adequate funds in total from two, and sometimes three, levels of government. I looked at your recommendations. I would like at some time an explanation of how you arrive at the 8.2 per cent of the Gross National Product, which you use there, which is lower in 1985 than the figure in the United States in 1981. I do not know too much about what you mean in recommendation 5; but I will leave that—presumably that will come out in the answers.

• 1120

What I want to deal with is the question that I have been putting to so many groups that have appeared before this committee: Do you outline what you feel has to be done? You say the problem is money, but you do not indicate how you feel the federal government should use its fiscal power to ensure the objective of the CMA.

You praise the federal government—in fact, on one occasion you mentioned a figure of \$40 billion, I believe—for their financial participation. I can only assume from that that it is a backhanded criticism of the provincial governments for not doing their part. In your brief, you make it quite apparent that you recognize the primary responsibility at the provincial level, but nowhere have I read an indication of how you suggest that the federal government should intervene other than to provide more funds.

I would like to ask you the question that bothers me most. At the moment, we have a system of block funding. You have not suggested that we change from block funding to shared cost, as we presently do in the case of social services, welfare payments. Do you propose that we increase the amount of block funding? Should we apply any conditions? If the provinces are not prepared to agree to the conditions on the spending of the additional federal funds, should we cut off the funds?

You acknowledge that it is a provincial jurisdiction. Do you suggest, on this day when we are discussing respective provincial and federal powers and responsibilities, that we do any more than we have done in trying to encourage the provincial governments by the transfer of these huge sums of money—

[Traduction]

notre comité ne sont pas tout à fait ignorants des problèmes existants.

J'ai été quelque peu surpris par deux des points que vous avez développés: en premier lieu, vous avez dit que le Canada disposait aujourd'hui de l'un des meilleurs systèmes médicaux du monde et vous avez même ajouté, détails à l'appui, que l'espérance de vie augmente plus vite au Canada que dans la plupart des autres pays; cependant, après nous avoir dit que tout était pour le mieux dans le meilleur des Canadas, vous nous avez brossé un tableau tout aussi détaillé des carences de notre système.

Je regrette de devoir vous dire, comme je l'ai fait à de nombreuses délégations qui ont comparu devant notre comité, que vous n'abordez pas vraiment le problème. Il ne s'agit pas tant de nous demander si le gouvernement fédéral accorde ou non suffisamment de fonds, que de déterminer si les deux et même les trois paliers de gouvernement accordent un financement suffisant à notre système médical. J'aimerais que vous nous expliquiez comment vous en arrivez au pourcentage de 8.2 p. 100 de notre produit national brut en 1985, alors que ce pourcentage sera inférieur à celui des États-Unis en 1981. Je n'ai pas très bien saisi la portée de votre recommandation n° 5, mais sans doute serai-je bientôt éclairé par vos réponses.

Je voudrais en arriver à la question que j'ai déjà posée à un grand nombre de délégation qui ont témoigné devant notre comité: est-ce que vous proposez une solution et si oui, laquelle? Vous dites que le problème c'est la carence du financement, mais vous ne nous dites pas comment, selon vous, le gouvernement fédéral devrait faire usage de ses pouvoirs fiscaux afin d'atteindre les objectifs fixés par l'AMC.

Je vois même que dans votre exposé, le gouvernement fédéral a droit à des éloges pour sa contribution de 40 milliards de dollars, sauf erreur de ma part. dois-je en conclure qu'il s'agit là d'une critique détournée à l'endroit des gouvernements provinciaux à qui vous reprochez sans doute de ne pas faire leur part? Vous reconnaissez très clairement, dans votre mémoire, que ce sont les provinces qui portent l'essentiel de la responsabilité en la matière, mais vous ne suggérez nulle part de modalité d'intervention de la part du fédéral, sinon pour renflouer les caisses.

Permettez-moi de vous poser une question qui me préoccupe beaucoup. Pour le moment, nous appliquons un système de financement par tranches. Vous n'avez pas proposé que l'on abandonne ce système au profit de programmes à frais partagés, comme c'est le cas en ce moment pour les prestations de bien-être social. Est-ce que vous souhaitez que l'on augmente le montant du financement par tranches? Faudrait-il que l'on assortisse l'aide de certaines conditions? Et si les provinces ne sont pas disposées à satisfaire à ces conditions, faut-il que le gouvernement fédéral suspende ses subventions?

Vous reconnaissez la responsabilité provinciale dans le domaine médical. Puisque nous sommes en pleine période de pourparlers quant aux responsabilités et aux pouvoirs respectifs du gouvernement fédéral et des provinces, souhaitez-vous que nous allions au-delà de ce que nous avons fait en



[Text]

only to find that in almost all provinces, the provinces have seized the opportunity to cut down on their own funding?

**Dr. Thomas:** Well, sir, first, let me say I am pleased to see you looking so well as a tribute to the medical advances of the last few years.

With regard to your question, I think there is no doubt that the CMA sees a need for increased federal input into the health care system, acknowledging that the input to date has been quite generous; but we also see, and we have pointed out, that the provincial expenditures, in many cases, have lagged behind. How you come to the point of making the provincial contributions more specific for health and how you get the provinces which are capable of providing more funding to do so, we believe, is basically a political decision, a political matter. We acknowledge that there are some provinces in this country that are not capable of increasing provincial funding to the level that would support what we believe to be adequate and reasonable health care programs and, in fact, it is not inconceivable that in years not too far down the road some of the smaller provinces might expend virtually all of their gross domestic product on health services, if they are to provide the continued level of care that we would desire.

• 1125

You asked about how we arrived at the 8.2 per cent figure. That is a complex matter, in which a number of economic issues were considered. I would defer to Mr. Freamo, perhaps, to give you an idea of how we arrived at that figure.

**Mr. B. E. Freamo (Executive Secretary, Canadian Medical Association):** Mr. Chairman, what we have tried to do is to set out for the committee some sort of reasonable goal to try to achieve. If we look at Canada's overall expenditure on health care today, we are spending about \$2.5 billion less than we should be spending if we look at it in comparison with the other countries that we showed you on that table. We know that you cannot find \$2.5 billion today to put into the health care system, so what we have tried to do is to say what is a reasonable minimum goal that we can achieve. We arrived at the 8.2 per cent in this way. We showed you the chart of the remaining countries; if we had realized, during that 10-year period, the minimum increase shown by any of the other countries—actually it was by France, and over the 10-year period it was an increase of 3 per cent per year—Canada would have achieved 8.2 per cent of expenditure of GNP in 1976, and that is the goal we are saying we should try to achieve in 1985. So we are not saying that reaching 8.2 per cent is going to cure the ills of the health care system, what we are saying is that it would present a commitment by Canadians that they were intending to increase the amount of money being spent on the health care system.

When we talk about 8.2 per cent, we are talking about all health care costs, \$4 billion of which last year was paid privately for a variety of services. And when we say to you that

[Translation]

encourageant les provinces par le transfert d'énormes sommes d'argent, au risque de voir les autorités provinciales en profiter pour réduire leur propre part de financement?

**Dr Thomas:** Tout d'abord, permettez-moi de dire, monsieur, que je me réjouis de vous trouver un aussi bonne mine et que cela témoigne bien les progrès accomplis par la médecine depuis quelques années.

Pour répondre à votre question, je dirais que tout en reconnaissant la générosité du gouvernement fédéral, l'AMC continue de croire qu'il faut que ce dernier participe davantage à la vie de notre système médical; nous avons également souligné que les provinces sont à la traîne en ce qui concerne le financement. Quant à la question de savoir comment on va mieux canaliser les contributions provinciales au système médical, ou comment on incitera les provinces qui en ont les moyens à apporter des contributions plus généreuses, il s'agit là, selon nous, d'une question d'ordre essentiellement politique. Nous admettons qu'il y a des provinces qui sont incapables de porter leur contribution au niveau nécessaire pour maintenir des programmes de santé qui seraient, à notre point de vue, suffisants et raisonnables. A dire vrai, il n'est pas impensable que, dans les années qui viennent, certaines des petites se voient obligées d'y consacrer tout leur produit intérieur brut si elles veulent continuer à donner la qualité de service que nous désirons.

Vous demandez comment nous arrivons au chiffre de 8.2 p. 100. C'est un calcul compliqué où entrent un certain nombre d'éléments économiques. Je demanderais à M. Freamo de bien vouloir vous expliquer ce chiffre.

**M. B. E. Freamo (secrétaire exécutif—Association médicale du Canada):** Monsieur le président, ce que nous avons tenté de faire, à l'intention du Comité, c'est d'imaginer un objectif qui ne serait pas hors d'atteinte. Si nous regardons le total des sommes consacrées à la santé aujourd'hui au Canada, nous constatons qu'il est de deux milliards et demi inférieur à ce qu'il serait si nous avions agi comme les autres pays qui figurent sur le tableau. Nous savons bien qu'à l'heure actuelle il est impossible de débloquer deux milliards et demi pour la santé. C'est pourquoi nous avons essayé de déterminer l'objectif minimum qui pourrait être atteint. Et nous sommes arrivés à 8.2 p. 100 et cela de la manière suivante. Vous avez vu le tableau des autres pays. Si, pendant la période de dix ans dont il fait état, les dépenses canadiennes en matière de santé avaient connu une augmentation équivalente à la moindre de celles connues par ces pays—en l'occurrence, il s'agit de la France, avec une augmentation annuelle de 3 p. 100 sur dix ans—le Canada aurait consacré à la santé, en 1976, 8.2 p. 100 de son PNB. Voilà, à notre avis, l'objectif qu'il faut tâcher d'atteindre en 1985. Nous ne disons pas que l'atteindre va guérir tous les maux du régime. Ce que nous disons, c'est que se fixer un tel objectif constituerait, de la part des Canadiens, un engagement à augmenter la somme d'argent consacrée à la santé.

Dans ces 8.2 p. 100 du PNB, nous incluons la totalité des frais de santé; ce qui comprend les 4 milliards payés l'an dernier pour une variété de services par des particuliers et des

## [Texte]

the federal government should increase its expenditure and the provincial governments should increase their expenditure, we think they have a responsibility to do that. But our overall concern is to express to you the need, and if the federal government will not meet the increase, and the provincial governments will not meet the increase, then the public is going to have to meet the increase or else our helath care system is going to go down the drain. You gentlemen can say, well, fine, we do not have any money to indicate; all right, you have a responsibility, in our opinion, to allocate your share of this increase in costs. But somebody has to pay it—it has to come from the federal government, the provincial governments, or the public. It cannot come from any other source.

**Mr. Herbert:** Thank you for that explanation. The figures I have indicate that all levels of government contribute quite a bit more. The figure I had was \$5.6 billion—but we will leave that for the moment.

Dr. Thomas, I will finish with this, because this is the problem that is bothering me and has been bothering me since I became a member of this committee—goodness knows why I was chosen to be a member. The problem that confronts me is not a problem of what I want to see done. I can say, without reservation, that I am very sympathetic to the situation that exists today in the medical profession. But we have just gone through a constitutional battle, and each group tends to say to us, “This is what has to be done; you are the politicians, you decide how to do it.” The problem is, I may be a politician, but I am still a representative of a constituency of 120,000 persons; I do not feel any different from the rest of them, and I am looking for ideas.

• 1130

So far, I do not think a single group has come up with a specific proposal. One group suggested that we increase taxes by \$7 billion, which would resolve our problems of course, but apart from that suggestion I have not heard any other suggestion on what we are going to do, in effect, to oblige the provinces to do their job—whether we apply this in the social field or whether we apply it in the medical field. This is what is facing us.

We were able to encourage them initially to go into this scheme, which you acknowledge is one of the best in the world, and we did it with the encouragement of dollars. But we have gone past that stage now. The provinces are no longer, I was going to say afraid of the federal government, it just is that they tend to take our dollars and then spit in our face. I ask myself under those circumstances, what other weapons do we have available to us? We can transfer tax points and let them get on with it themselves. We have an equalization program that helps the have-not provinces. We see the differences in the different regions, we see what is happening in Quebec, for example, where the doctors are getting a lot more money than are the doctors in Ontario.

My last point is the same point that I have been making all along, Dr. Thomas, which is that we have to come to grips as a nation—not amongst us few politicians here—with what we are going to do about the problem that faces us of the

## [Traduction]

organismes non gouvernementaux. Si nous disons que le gouvernement fédéral doit augmenter ses dépenses et que les gouvernements provinciaux doivent le faire aussi, c'est que nous croyons qu'il leur incombe de le faire. Notre souci est de vous faire savoir le besoin qu'il y a d'augmenter les sommes consacrées à la santé et, si le gouvernement fédéral ne le fait pas, si les gouvernements provinciaux ne le font pas, le public devra le faire sous peine de voir s'effondrer tout le régime. Vous allez dire, messieurs, que cela est bien beau, mais que vous n'avez pas d'argent à ajouter. N'empêche qu'à notre avis il vous appartient d'assumer une partie de la croissance des coûts. Il faut que quelqu'un débourse—le fédéral, les provinces ou le public. Je ne vois pas d'autres sources.

**M. Herbert:** Merci pour votre explication. Les chiffres dont je dispose indiquent que tous les gouvernements ont augmenté de beaucoup leur contribution. Le chiffre que j'ai est de 5.6 milliards. Mais laissons cela pour le moment.

Docteur Thomas, laissez-moi finir cela, car il s'agit d'un problème qui me préoccupe et qui me préoccupe depuis que je suis devenu membre du présent comité—et Dieu sait pourquoi j'ai été choisi pour y être membre. La question avec laquelle je suis aux prises n'est pas de savoir ce que, moi, j'aimerais voir se faire. Je le dis sans réserve; la situation qui existe aujourd'hui dans la profession médicale ne me laisse aucunement indifférent. Mais voilà, nous sortons d'une bataille constitutionnelle où chacun s'est plu à nous dire: «Voilà ce qu'il faut faire. Vous êtes les hommes politiques; décidez comment le faire.» Sans doute, je suis un homme politique et le représentant d'une circonscription qui compte 120,000 personnes. Mais je ne me sens pas différent de ces personnes et je cherche des idées.

Jusqu'ici, à mon sens, aucun groupe n'a présenté une proposition précise. Il y en a un qui a suggéré une augmentation d'impôt de 7 milliards, ce qui évidemment réglerait le problème. A part cela, rien sur ce qu'il faudrait faire, d'une façon pratique, pour obliger les provinces à exécuter leur travail, que ce soit dans le domaine social ou le domaine médical. Voilà la question qui se pose à nous.

Nous avons réussi, au début, à les amener à participer à ce régime, que vous admettez être l'un des meilleurs au monde, et nous l'avons fait à coup de dollars. Mais ce temps-là est passé. Les provinces, si l'on peut dire, n'ont plus peur du fédéral. Sans doute acceptent-elles ses dollars, mais après, elles s'en balancent. Devant une telle situation, je me demande de quelles armes nous disposons. Nous pouvons transférer des points d'impôt et dire aux provinces de s'arranger. Nous avons la péréquation qui aide les provinces démunies. Nous voyons les différences d'une région à l'autre; nous voyons ce qui se passe au Québec, par exemple, où les médecins touchent beaucoup plus que ceux de l'Ontario.

Ma dernière observation, monsieur le docteur Thomas, est celle que je n'ai cessé de faire depuis le début. Nous sommes, comme nation—car il ne s'agit pas d'une affaire à débattre seulement entre nous, politiciens—aux prises avec le problème



[Text]

jurisdictional responsibilities and how in tarnation are we going to use this, at the moment, almost \$15 billion of cash transfers plus another \$4 or \$5 billion of transfer of tax points, which is taxing ability in the hands of the provinces, this huge sum of money that far exceeds our federal deficit. How are we going to use that wallop, as it used to be, to oblige the provinces to come through and do their part? I just do not believe the CMA, or any other group, can wash their hands of this problem and say, it is up to you seven members of Parliament on this committee to resolve it.

**Dr. Thomas:** Sir, I do not have any brilliant ideas. As you say, it is a difficult question. Perhaps one thing that might be done in terms of transfer is at least to make the federal contributions health-care specific, so that provincial governments will, at least, designate those funds for health care and not, as in some cases, spend the federal dollars, or the moneys they save in provincial dollars, on roads, et cetera.

**Mr. Herbert:** Unfortunately, that is not quite the answer, because in at least one province—and I will use post secondary education as an example—they use every single federal dollar and do not contribute one single dollar themselves. Anyway, I will leave the thought with you.

**Dr. R. G. Wilson (Secretary-General, Canadian Medical Association):** Mr. Chairman, it is not really true that all the provinces of Canada rushed into the medicare program. They were seduced by federal funds. But there were provinces, including the Province of Ontario, that felt at the initiation of the medicare program in Canada—they said that the doctors were dragged kicking and screaming into medicare, but really some of the provinces were dragged kicking and screaming into medicare, because Mr. Robarts, who was then the premier, recognized that they were accepting a burden of funding that maybe the province would not be able to meet 10 to 15 years down the pike. So the provinces are not to be blamed entirely for the problem that is presented to us at the moment. It is a question of underfunding.

• 1135

**Dr. Baltzan:** I think, sir, that part of the problem of the committee is of a much larger problem in Canada today, and it has to deal with the considerable variations in wealth and taxable income which are accruing to different provinces and to the federal government. Obviously, this is something that you are going to have to talk out on a political basis. You could take the same amount of money that you are spending now, or transferring to the provinces, and reallocate it in an entirely different form and it would have far greater effect on some provinces than on others.

I think the problem that you have on a long-term basis is that the system in Canada of unconditional and conditional grants has been very basic to the federal arrangement we have had. If the federal government chose to determine that conditional grants were being made not conditional upon the provinces doing something to earn these grants but rather condi-

[Translation]

du partage des pouvoirs. Comment, dites-le moi, profiter des transferts fiscaux, qui représentent à l'heure actuelle tout près de 15 milliards, sans compter les 4 ou 5 milliards de points d'impôt qui sont autant de fonds que les provinces peuvent aller chercher elle-même, soit une somme totale qui dépasse de beaucoup le déficit fédéral. Comment allons-nous utiliser ce gros bâton, qu'il fut déjà, pour amener les provinces à s'exécuter et à faire leur part? Je ne crois pas que l'Association médicale et les autres groupes peuvent se laver les mains de ce problème et simplement dire: «C'est à vous, les sept parlementaires du Comité, à le régler».

**Dr Thomas:** Je n'ai pas, monsieur, d'idée lumineuse. Comme vous le dites, la question ne laisse pas d'être difficile. Il y a peut-être quelque chose qui pourrait se faire à propos des transferts financiers. Ce serait, au moins, de rendre spécifiques les contributions fédérales aux soins médicaux afin que les provinces les affectent intégralement à ces soins et qu'elles cessent, du moins certaines d'entre elles, de les utiliser ou d'utiliser les sommes qu'elles économisent grâce à elles, pour les chemins, etc.

**M. Herbert:** Malheureusement, cela ne marcherait pas. Car, si l'on prend comme exemple les subventions à l'éducation postsecondaire, je connais une province qui y consacre bien tout l'argent fédéral, mais qui ne contribue pas un sou elle-même. En tout cas, je vous laisse à y penser.

**Dr R. G. Wilson (secrétaire général, Association médicale du Canada):** Monsieur le président, il n'est pas exact de dire que toutes les provinces se sont précipitées pour prendre part au programme d'assurance-maladie. Elles y ont été induites par les fonds fédéraux. Mais il y a des provinces, dont l'Ontario, qui, dès le début, tout comme on a dit des médecins, se font faites joliment tirer l'oreille avant d'y participer. Il suffit de rappeler que M. Robarts, premier ministre de l'Ontario à l'époque, reconnaissait que la province assumait ainsi une charge financière qu'elle risquait de ne pouvoir rencontrer dans les dix ou quinze années à venir. Aussi ne faut-il pas imputer entièrement aux provinces les difficultés dont nous sommes saisis à l'heure présente. C'est une question de manque d'argent.

**Dr Baltzan:** A mon avis, monsieur, une partie du problème qu'étudie le Comité relève d'une question plus large et qui touche tout le Canada d'aujourd'hui. Il s'agit des différences énormes dans les richesses et les revenus fiscaux qui reviennent à chaque province et au gouvernement fédéral. Bien sûr, c'est une question que vous aurez à débattre sur le plan politique. Vous pourriez prendre le même montant que vous dépensez maintenant ou que vous transférez aux provinces et le répartir d'une façon totalement différente, l'effet resterait plus grand sur certaines provinces que sur d'autres.

A mon avis, le problème qui vous confronte à long terme est que le régime de subventions conditionnelles et inconditionnelles que nous avons au Canada est un élément fondamental du système fédératif actuel. Si la condition dont le gouvernement fédéral assortit ses subventions conditionnelles n'était pas que la province fasse quelque chose pour les mériter, mais que

[Texte]

tional on the federal government having the money to pay for them, we would have a very, very serious situation in this country. I think that is something the committee has to look at very carefully.

The federal government has had a traditional responsibility of paying 30-odd per cent of the health care costs in Canada. It cannot minimize it; it cannot reduce that responsibility, it has to increase it. Certainly the provinces have to increase their share and we are quite willing to put all kinds of pressure on the provinces to do it.

But going back to 1976 and the conference which ended up in the EPF formula and the comments made by the prime minister of that time—I guess it is still the same one, Mr. Trudeau—he was very emphatic that the federal government presence had to remain in this system, that the federal government had to contribute a major portion of the funds going into the health care system. I think it is important, if you are going to look at a national health care system in Canada, that the federal government retain that major contribution in terms of federal funding.

**Mr. Herbert:** Thank you very much. I have no issue at all with what you are doing, but I must say we are grappling with quite a problem in this committee and so far there have not been too many little pearls of wisdom to help to guide us towards our conclusions.

**Dr. Thomas:** As you are well aware, sir, our basic message was to point out the deficiencies and the impending problems and beg you to increase the financial support in order to sustain what we consider a very high quality health care system.

**The Chairman:** Mr. Blankarn.

**Mr. Blankarn:** I am particularly interested in your recommendation No. 5. Joan Charbonneau has mentioned some of the things we have in our riding, and I think she will acknowledge we have a rather active hospital volunteer organization that has been most helpful in terms of reducing costs and involving the community, and the same with respect to fund raising where our fund raising team has raised a couple of million dollars toward a fairly extensive addition to the Mississauga Hospital now under way.

You made a recommendation that there be a role for private funding of health services and you mentioned items like food costs in hospital. Were you also thinking of some sort of fee for the use of medical services to be charged directly over and above the insured fee to users of service? I did a questionnaire in my riding, as we do very frequently, and I have some preliminary results. Seventy-two per cent of those responding in the first 200 to the questionnaire would approve some sort of deterrent fee. Could you expand on your views with respect to private funding?

[Traduction]

le gouvernement ait les ressources pour les payer, le pays connaîtrait une crise très, très grave. C'est là, je crois, un aspect que le Comité doit examiner avec soin.

Il est de tradition que le gouvernement fédéral assume environ 30 p. 100 des frais médicaux et hospitaliers au Canada. Il ne saurait réduire cette proportion; il ne saurait diminuer la responsabilité qui est la sienne; il doit au contraire augmenter sa quote-part. Les provinces aussi, sans doute, et nous sommes prêts à exercer sur elles toutes sortes de pressions pour les amener à le faire.

Rappelons-nous la conférence de 1976 qui nous a donné la formule actuelle du FPE et les commentaires du premier ministre de l'époque; il s'agissait, je crois, du même qu'aujourd'hui, M. Trudeau, celui-ci était catégorique: le gouvernement fédéral doit toujours être présent dans le régime; il doit fournir la plus grosse partie des fonds qui y sont consacrés. En effet, c'est une chose importante, si nous voulons que le Canada ait un régime national de soins médicaux et hospitaliers, que le gouvernement fédéral y demeure le premier contributeur.

**M. Herbert:** Je vous remercie vivement. Je ne chicane pas ce que vous dites, mais le problème qui affronte le Comité est de taille et, jusqu'ici, nous avons récolté bien peu de grains de sagesse pour nous aider à arriver à des conclusions.

**Dr Thomas:** Comme vous le savez très bien, Monsieur, l'essentiel de notre message a été de souligner les insuffisances et les difficultés à prévoir. Et aussi, d'insister auprès de vous pour que vous augmentiez l'appui financier afin que soit maintenu ce que nous estimons un régime de très haute qualité.

**Le président:** Monsieur Blankarn.

**M. Blankarn:** Votre recommandation no 5 m'intéresse d'une façon particulière. Joan Charbonneau a mentionné des choses qui se font dans notre circonscription. Elle admettra, sans doute, que nous avons pour les hôpitaux une association de bénévoles des plus active. Elle joue un rôle immense en aidant à réduire les coûts et en intéressant la communauté à ses hôpitaux. Il en est de même pour les collectes de fonds. Notre équipe spéciale est allée chercher une couple de millions pour l'agrandissement de l'hôpital de Mississauga actuellement en cours d'exécution.

Selon votre recommandation, le financement privé aurait un rôle à jouer dans les services de santé et vous donnez, comme exemple, le coût des aliments dans les hôpitaux. Aviez-vous aussi dans l'idée une sorte de droit qui pourrait être exigé pour l'utilisation des services médicaux, droit qui serait en supplément à ce que couvre l'assurance? J'ai distribué un questionnaire dans ma circonscription, comme nous le faisons souvent, et j'ai des premiers résultats. Soixante-douze pour cent des deux cents premières réponses approuvent l'imposition d'un droit comme élément dissuasif. Pourriez-vous développer un peu votre opinion sur le financement privé?



[Text]

• 1140

**Dr. D. L. Wilson (Past President, Canadian Medical Association):** Mr. Chairman, a couple of general comments first, if I may. Private funding has been an important constituent of a funding of health care. In some public discussions of this, the recognition of this fact does not come through. The information available to us, for instance, suggests that in 1978 \$4.1 billion across Canada of private funding went into health care. Those components take in something over \$1 billion for institutional care, like nursing homes, private mental institutions; prescribed drugs, \$0.5 million; eyeglasses, hearing aids, prosthesis, dental care—large expenditures.

**The Chairman:** Did you say that was in one year?

**Dr. D. L. Wilson:** In the year of 1978, yes, sir.

I want to make it clear, sir, that the comments in our brief about the importance of private funding were not a pitch for extra billing by physicians. Private funds for professional care by physicians amounted to only 2.8 per cent of this amount. It is a small amount. The important point is that this sum of money, \$4.1 billion per year, is a significant portion, between 20 per cent and 25 per cent of the whole cost of health care. If we are in trouble now with this much private funding, recognizing the problem that face your committee, private funding surely has a role to play in the future. It is disturbing to hear comments about private funding as though it were at least mildly wicked. Private funds are quite good funds.

I would like to emphasize, sir, that we are not opposed to user fees of various sorts. They are already in action, although they must be applied very carefully so that they do not discourage people from access to health care. The Canadian Medical Association has not any use at all for the idea of deterrent fees. Who would want to deter people from getting health care? But, you know, if you want to compare health care to something like a newspaper where 75 per cent of the cost is borne by advertising, we do not call the 25 cents we pay for a newspaper a deterrent fee, it is the price of a newspaper. This is the way our society works.

I think it is up to society, as a whole, to judge what role private money will play in the future. It seems clear to us that private funding is playing a very significant role now and we cannot talk about throwing it out the window.

**Mr. Blenkarn:** Well, can you get specific? You mentioned in your brief possibly food costs in hospitals. Have you any other items that might be properly charged to the recipient or user that might go to have more user pay in terms of the health delivery system? We are obviously facing massive government deficits; we know that and you know that.

**Dr. D. L. Wilson:** I think this would be an example of the sort of thing that might be charged to the individual. As the

[Translation]

**Dr D. L. Wilson (ancien président, Association médicale du Canada):** Monsieur le président, permettez-moi quelques observations d'ordre général, d'abord. La part du secteur privé a toujours été importante dans le financement des services médicaux et hospitaliers. On ne l'admet pas toujours dans les discussions publiques. Des renseignements dont nous disposons, on peut conclure qu'en 1978 les sommes privées affectées à ces services ont atteint 4.1 milliards au Canada. Là-dedans, il y a plus d'un milliard pour les soins hospitaliers: maisons de convalescence, établissements psychiatriques privés. Les médicaments sur ordonnance comptent pour un demi-million. Et beaucoup a été dépensé pour des lunettes, des aides auditives, des prothèses, des soins dentaires.

**Le président:** Et cela, dites-vous, au cours d'une même année?

**Dr D. L. Wilson:** Au cours de l'année 1978, oui, monsieur.

Et je veux que ce soit bien compris, monsieur, ce que nous disons dans notre mémoire sur l'importance du financement privé n'est pas un plaidoyer en faveur d'un supplément d'honoraires pour les médecins. Sur la somme de fonds privés que j'ai citée tout à l'heure, seulement 2.8 p. 100 sont allés aux médecins pour services professionnels. Ce n'est pas considérable. L'important, c'est que cette somme d'argent, 4.1 milliards par année, constitue une part significative du coût total des soins, soit de 20 à 25 p. 100. Si, malgré ce financement privé fort respectable, nous sommes aujourd'hui en difficulté, il faut admettre que votre comité fait face à des problèmes. Et, chose certaine, le financement privé a un rôle à jouer dans l'avenir. Ça ne laisse pas d'être inquiétant de toujours entendre parler de financement privé comme d'une chose pas très catholique. Les fonds privés sont d'excellents fonds.

Je tiens à souligner, monsieur, que nous ne sommes pas opposés à un paiement quelconque de la part de l'utilisateur. La chose existe déjà, mais il faut être prudent dans l'application et ne pas éloigner les gens des services de santé. Aussi l'Association médicale du Canada répugne-t-elle à l'idée d'imposer un droit dissuasif. Qui veut dissuader quelqu'un de se faire soigner? Prenons comme exemple, si vous le voulez, le journal. La publicité défraie 75 p. 100 de la production et nous ne songerions jamais à appeler le 25c que nous payons un droit dissuasif. C'est le prix du journal. C'est ainsi que la société fonctionne.

A mon avis, c'est à la société dans son ensemble de décider du rôle du financement privé dans l'avenir. Ce qui est clair, c'est que ce rôle est aujourd'hui significatif et on ne saurait envisager de le supprimer.

**M. Blenkarn:** Pourriez-vous être plus précis? Votre mémoire parle du coût des aliments dans les hôpitaux. Voyez-vous autre chose qu'il conviendrait de laisser à la charge du bénéficiaire ou de l'utilisateur du service et qui pourrait augmenter la part de celui-ci dans la prestation des services? De toute évidence, les gouvernements doivent prévoir des déficits colossaux. Vous le savez et nous le savons.

**Dr D. L. Wilson:** A mon sens, le mémoire donne un excellent exemple de choses qui pourraient être laissées à la charge

## [Texte]

brief points out, sir, the decision that is made when a patient enters hospital or is treated at home is often a difficult decision which is guided by many factors. Indeed, it may be necessary in many parts of the country today, as Dr. Charbonneau has pointed out, to send a patient home, not because it is the best place for him but because there is not a hospital bed. When the decision to send that patient home is made, it means that he must pay for his drugs, he must pay for his food, he must pay for things that he would get for free had it been possible to admit him to hospital.

I think what Dr. Thomas was suggesting was that perhaps we should take another look if public funds cannot be found to meet the growing needs of the health care system, that maybe there is a place for breaking down this sharp line between paying for the food if the patient goes into hospital and making him pay for it if he goes home.

• 1145

**Dr. Baltzan:** Mr. Chairman, there is no question that this is essential in the future, looking at governments' budgets and governments' incomes, but our main concern about governments reaching out to private money as a support for the system is that we do not want to see it utilized by governments in lieu of their making money available to the program itself.

There are certain things that have to be done to provide a basic level of service in the community and if that level of service is not provided in the small communities that cannot support it otherwise from private moneys, the government still has a responsibility to ensure that that service is there—if, for example, the government said that 25 per cent of all hospital care is going to be paid by patients and used this as a method of getting rid of some of their responsibility. There are areas in this country where the persons cannot pay 25 per cent of the cost of hospital care.

So we think that private money is important to ensure that there is money in the system when the government reneges on its promises but we do not want to have the government turn around and have them substitute private moneys for their promises. They have a responsibility to provide a level of service within the community. There is also a need for private money to come into the system.

**Mr. Blenkarn:** We note that Canada's percentage of the GNP devoted to health care is somewhere between 7.1 and 7.2 per cent. I think we had some more up-to-date figures in previous briefings from the Ministry of Health than you were able to supply us but, in any event, it is significantly below that of the United States. Is that because they have no medicare system in the United States and that the medical profession is able to charge what it will in the United States?

**Dr. Thomas:** The cost of all medical services in the United States is proportionately considerably higher than it is here in Canada and I am sure this is reflected in the percentage of GNP that is spent.

## [Traduction]

du particulier. Comme il le dit, la décision d'hospitaliser le malade ou de le traiter chez lui n'est pas souvent une décision facile et elle doit être prise à la lumière de bien des facteurs. À dire vrai, dans nombre de régions aujourd'hui, comme l'a fait remarquer le Dr Charbonneau, il peut être nécessaire d'envoyer un malade chez lui, non pas parce que c'est le meilleur endroit pour le soigner, mais simplement parce qu'il n'y a pas de lit de libre. Une pareille décision signifie que le malade, une fois chez lui, devra payer ses médicaments, devra payer sa nourriture et d'autres choses qu'il aurait eues gratuitement s'il avait été possible de l'admettre à l'hôpital.

Ce que le Dr Thomas proposait, s'il n'y a pas moyen de trouver des fonds publics pour faire face aux besoins croissants, c'est d'examiner justement ce point où l'on paye la nourriture si le malade est à l'hôpital et on le lui fait payer s'il est à la maison.

**Dr Baltzan:** Monsieur le Président, il n'y a pas de doute que c'est indispensable pour l'avenir, quand nous considérons l'état des budgets des gouvernements et les revenus fiscaux; mais nous craignons que les gouvernements, en faisant appel à l'argent privé pour appuyer le régime, en profitent pour ne pas eux-mêmes consacrer des fonds au programme.

Il y a des choses qui doivent obligatoirement se faire pour assurer un niveau minimum de service dans une collectivité. Si, dans une petite collectivité, le financement privé ne peut assurer ce minimum, il appartient au gouvernement de le faire. Il ne faut pas que le gouvernement qui aurait décidé, par exemple, que 25 p. 100 des frais d'hospitalisation seraient à la charge du malade, puisse se servir de cela pour se décharger de sa responsabilité. Il existe, de fait, des endroits dans le pays où le citoyen ne peut payer 25 p. 100 des frais d'hospitalisation.

C'est pourquoi nous pensons qu'il est important de prévoir de l'argent privé pour que le régime ne manque pas de fonds quand le gouvernement brise ses promesses, mais nous ne voulons pas que le gouvernement fasse volte-face et substitue le financement privé à ce qu'il a promis. C'est un devoir pour lui d'assurer un certain niveau de service à la communauté. Par ailleurs, il y a place pour de l'argent privé.

**M. Blenkarn:** Nous constatons que le pourcentage de son PNB que le Canada consacre aux soins médicaux se situe entre 7.1 et 7.2. Nous avons bien obtenu des chiffres plus récents au cours de rencontres avec le ministère de la Santé que ceux que vous avez pu nous fournir. De toute façon, il est sensiblement inférieur à celui des États-Unis. La raison est-elle qu'il n'y a pas d'assurance-maladie aux États-Unis et que la profession médicale est libre, dans ce pays, d'exiger les honoraires qu'elle veut?

**Dr Thomas:** Aux États-Unis, le coût de l'ensemble des services médicaux est proportionnellement de beaucoup supérieur à ce qu'il est ici au Canada et, sans doute, cela se reflète dans le pourcentage du PNB qui y est consacré.



## [Text]

It may interest you to know that the percentage of private money per capita expended in Canada is among the lowest, if not the lowest, in the world. Dr. Baltzen has an interesting commentary on what happens as a result of underfunding.

**Dr. Baltzen:** Mr. Chairman, I might mention, before I go to that, that it is not just the United States that Canada is lower than. Canada is lower than Sweden, the Netherlands, France, Germany, et cetera, all of which have medicare plans; so that it is not simply the lack of universal medicare program in the United States. Furthermore, this cannot be all due to doctors' billings because doctors' billings account for less than one-fifth of the total health care cost.

Dr. Thomas mentioned in his conclusion that under funding is a hazard to your health and we believe we have some direct evidence now of the significance of underfunding. There was a book published by two members of the Census Bureau, one of the American Census Bureau, one of the British Census Bureau, on Morbidity and Mortality in the United States, and we have an abstract taken from the New York Review of Books, which is a journal that I am sure most of you are familiar with and which normally looks quite favourable on activities to the left of centre; so if they are critical, it would be criticism from their own house.

They point out that in 1897, Imperial Russia offered its people a life expectancy of 30 years. By the late 1950s, the average Soviet citizen could live 68 to 69 years, longer than his American counterpart. Things are different today. The '60s and '70s have proved devastating to Soviet society. The average Soviet life span is probably under 68 today, less than in the '50s.

The reviewers and authors ask the question: Could a progressive decline in the health of an entire nation, affecting people of nearly every ethnic background and nearly every age group, take place without a breakdown in the medical system? In theory, they believe the answer to be yes, but they contend that the specifics of the Soviet situation make a breakdown of the medical care system a foregone conclusion. Then they ask why the quality of medical care in the Soviet Union might be declining. They say, one, the Soviet health strategy has been misguided. When extra funds are available they have been expanding facilities rather than upgrading them.

• 1150

Two and here we come to some things that may have a direct reflection in Canada, medicine is no longer a prestigious profession in the U.S.S.R., which means that its practitioners can be underpaid and poorly provided.

Three; the U.S.S.R. has more than twice the health personnel as the United States, but they must work in hospitals which lack the necessary facilities.

## [Translation]

Il peut être intéressant pour vous de savoir que le pourcentage d'argent privé dépensé par habitant au Canada figure parmi les plus faibles au monde, s'il n'est pas le plus faible. Le Dr Baltzen a des choses intéressantes à dire sur ce qui arrive quant il y a insuffisance de fonds.

**Dr Baltzen:** Monsieur le président, avant d'aborder ce point, j'aimerais faire remarquer que ce n'est pas seulement par rapport aux États-Unis que le Canada est en état d'infériorité. Il l'est aussi par rapport à la Suisse, aux Pays-Bas, à la France, à l'Allemagne et à d'autres pays, qui tous ont un régime d'assurance-maladie. Ce n'est donc pas seulement l'absence d'un tel régime aux États-Unis qui en est la cause. Ce n'est pas non plus exclusivement les honoraires des médecins, car ces honoraires comptent pour moins d'un cinquième du coût total des services médicaux et hospitaliers.

Dans sa conclusion, le Dr Thomas fait remarquer qu'un financement insuffisant constitue un danger pour la santé. Or je crois avoir un exemple probant des méfaits d'une telle insuffisance. Deux fonctionnaires du Bureau de recensement, l'un du Bureau américain et l'autre du Bureau britannique, ont publié un livre sur la morbidité et la New York Review of Books, un périodique qui, sans doute, est familier à la plupart d'entre vous et qui ordinairement se montre favorable aux activités du centre-gauche. Sa critique est d'autant plus valable qu'elle s'adresse à ses amis.

Il est dit qu'en 1897, dans l'Empire russe, l'espérance de vie était de 30 ans. Qu'à la fin des années 50 le citoyen soviétique ordinaire pouvait espérer vivre jusqu'à 68 ou 69 ans, soit plus vieux que son homologue américain. Aujourd'hui c'est différent. Les années 60 et 70 ont été néfastes à la société soviétique. L'espérance de vie aujourd'hui y est probablement inférieure à 68 ans, inférieure à ce qu'elle était dans les années 50.

La question que se posent les recenseurs du livre et les auteurs est celle-ci: «Une dégradation progressive de la santé d'une nation entière,—et cela dans toutes les ethnies et tous les groupes d'âge,—est-elle possible sans l'effondrement de l'équipement sanitaire. En théorie, la réponse serait affirmative selon eux, mais vu les particularités de la situation soviétique, ils ne veulent pas conclure à un tel effondrement. Alors ils se demandent pourquoi la qualité des services médicaux pourrait être en régression en Union soviétique. Et de répondre. Premièrement, l'Union soviétique a commis une erreur de stratégie dans ce domaine en utilisant les suppléments de fonds disponibles pour étendre les services au lieu de les employer pour en relever la qualité.

Deuxièmement,—et cela ne peut laisser indifférent le Canada,—la médecine n'est plus une profession prestigieuse en URSS; ce qui veut dire que les praticiens sont sous-rémunérés et leur sort n'est pas enviable.

Troisièmement, l'URSS dispose d'un personnel hospitalier deux fois plus nombreux que celui des États-Unis, mais ce personnel doit travailler dans des établissements dépourvus des installations matérielles nécessaires.

## [Texte]

Four; their morale is probably not improved by the ministry of health's obvious insensitivity to the needs of the infirm.

Five; corruption may be playing a part. For obvious reasons, the figures on the Soviet Union's second economy are unavailable but are known to be enormous. Among the goods for sale in the shadow markets are medical services.

Finally, there is evidence that the Soviet Union has decided to economize on medical care for people. Over the past generation the Soviet Union had devoted an even smaller fraction of its GNP to combatting illness. According to one plausible set of estimates, the share was 9.8 per cent in 1975, and 7.5 per cent in 1977. The authors say the Soviet Union may be the only advanced society to allow progressively more modest portions of its output to maintain the health of people. But our data shows that is not true because Canada, since 1975, has fallen into the same category. So there are two of us.

From a financial standpoint, the towering problem of the post-Stalin era has been an inefficiency of the economy, and cutbacks have been required. But what was expendable? Reduction in military expenditure is unthinkable. Consumer expectations are powerful forces and cannot be cut. Tampering with the diet has become dangerous. Nor would it be feasible to save money by cutting back on the production of such things as brassieres or refrigerators. But who would notice or complain if the government skimmed a bit on public, and therefore intangible, services like health care? Denying a sick man an operation, after all, is not nearly like taking away a healthy man's shoes.

So we think there is abundant evidence from Russia that the under-funding problem that Canadians face is not a figment of the doctors' imagination and is not an emotional argument as it was called earlier, but in fact, represents a real hazard to the health of Canadians.

**Mr. Blenkarn:** We very much agree, I think, as a committee that as a population gets older, and our population is certainly getting older, the cost of health care is going to rise dramatically. Ontario advises us that it spends 30 per cent of its health care budget on those over 65.

Now is it the question of a ratio GNP, or is it a question of what GNP really has to do with it. The U.K., we see, spends a very much smaller portion of GNP than we do. I suppose we could compare ourselves to the U.K. What we are concerned about is where you get out of the air your 8.2 per cent of GNP. Why 8.2 per cent? Why is it not in relation to the kind of population we have, the aging of the population, and the kind of medicare or medical services that must be provided depending on the population, rather than as a percentage of national product?

## [Traduction]

Quatrièmement, il est probable que la manifeste insensibilité du ministère de la Santé à l'égard des infirmes n'aide pas au moral de ce personnel.

Cinquièmement, la corruption joue probablement un certain rôle. Pour des raisons évidentes, aucun chiffre n'est disponible en ce qui concerne l'économie clandestine en Union soviétique, mais l'on sait que le montant est énorme. Et parmi les biens en vente sur le marché noir figurent les services médicaux.

Enfin tout indique que l'Union soviétique a décidé d'économiser sur les soins médicaux qu'elle dispense à sa population. Depuis une génération, elle ne cesse de réduire la fraction de son PNB qu'elle consacre à la lutte contre la maladie. Selon des estimations dignes de foi, cette fraction serait passée de 9.8 à 7.5 entre 1975 et 1977. Les auteurs croient que l'Union soviétique est peut-être le seul pays industrialisé à réduire toujours davantage la part de son rendement qu'elle réserve au maintien de la santé de ses citoyens. Nos chiffres toutefois contredisent cela, car depuis 1975 le Canada n'agit pas autrement. Nous sommes deux maintenant.

D'un point de vue financier, le problème majeur de la période post-stalinienne a été l'inefficacité de l'économie. Et des réductions de dépenses se sont imposées. Mais quoi sacrifier? Réduire les dépenses militaires, c'est impensable. Les biens de consommation? On ne joue pas avec les attentes populaires dans ce domaine. Il est aussi dangereux de s'attaquer à l'alimentation. Il n'est pas non plus possible de freiner la production des soutiens-gorge et des réfrigérateurs. Mais qui s'apercevra ou osera se plaindre, si le gouvernement rogne un peu dans un domaine public, donc intangible, comme les services médicaux et hospitaliers. Refuser une opération à un malade ne se compare pas, après tout, à refuser une paire de chaussures à un homme bien portant.

Aussi croyons-nous que la Russie nous fournit amplement de preuves que la pénurie de fonds qui attend les Canadiens n'est pas une fantaisie sortie de l'imagination des médecins ni un argument d'ordre émotif, comme on l'a dit tout à l'heure, mais que cette pénurie représente un réel danger pour la santé des Canadiens.

**M. Blenkarn:** Nous sommes on ne peut plus d'accord, je crois, comme comité pour dire qu'à mesure que notre population vieillit,—et notre population vieillit certainement,—le coût des services médicaux et hospitaliers augmentera d'une façon spectaculaire. L'Ontario nous dit qu'elle dépense 30 p. 100 de son budget sanitaire pour les personnes âgées de plus de 65 ans.

Et voici qu'on parle d'un pourcentage du PNB, mais que vient faire le PNB là-dedans? Prenons le royaume-Uni,—car nous pouvons, je crois, nous comparer au Royaume-Uni.—Or ce pays consacre à la santé une fraction beaucoup moindre que nous de son PNB. Ce qui nous intrigue c'est d'où vous sortez ces 8.2 p. 100 du PNB et pourquoi 8.2 p. 100? Pourquoi ne pas relier la question au type de population que nous avons, au vieillissement de la population, au genre d'assurance-maladie ou de services médicaux que cela demande, plutôt que d'en faire un pourcentage du produit national brut?



*[Text]*

You have said yourselves that we should not look at medical services based on the budget; we should look at it on a question of physical need. Your own figures indicate that we have a very high degree of medical service in the country. I appreciate that everybody is concerned about budget problems, but is there really a situation that if we do not significantly increase our spending that we are going to have a decline in medical services? Is there any evidence of that?

**Dr. Thomas:** The evidence is clearly before you. We are already starting to experience the jamming up of acute care facilities with chronic patients, and these are the representatives of the older population.

• 1155

**Mr. Blenkarn:** Well, we have done a fair amount in the Province of Ontario with respect to creating a great number of chronic care nursing home type beds and that has taken away some of the requirement for acute care beds.

**Mr. Freamo:** Mr. Chairman, the important aspect to look at is not the current level of GNP expenditure. Certainly, Great Britain's is lower than ours, but Great Britain's has been climbing every year. They have been willing to allocate an increasing proportion of their GNP to health care, and it is that increasing proportion that paid for all of those things you saw on those slides. If you want health care in Canada to maintain its current level, allocate the current GNP—which the EPF formula now does, because payments under the EPF formula by the federal government for the next three years are GNP and not one cent more. You are going to guarantee the continuation of an inadequate system. If you want the system to improve in this country, you have to allocate an increasing proportion of GNP to pay for the improvements that we are talking about.

**Dr. Charbonneau:** Mr. Blenkarn, may I add a further comment as just a simple GP again. I made the comment last night to the members here that perhaps it is a sad reflection that as physicians we were coming, determining to you people what we consider to be the minimums that were necessary.

When I graduated from medical school, it never occurred to me in my wildest dreams that I would be sitting as a member of a hospital, trying to wrestle with budgets. I thought that my hospital would ask me to define not the minimum standards that we could get by with, but really maximum standards, because that is the kind of care I want to give my patients. But I will give you an example as an ordinary practising physician. In my own hospital with our upcoming expansion, the physicians were asked to submit what they felt were the necessary equipment to properly equip our expansion. We put it for a budget of some \$1.5 million and have been told by the minister that we will receive and have to live within a budget of some \$400,000—less than one-third of what we asked. I was rather surprised that my medical staff's response was one of shrugging of shoulders, because now it has become commonplace for physicians to expect to only receive minimums. As I say, I

*[Translation]*

Vous l'avez dit vous-mêmes qu'il ne faut pas envisager les services médicaux en termes de budget, mais sous l'angle des besoins à satisfaire. Vos propres chiffres indiquent que le pays possède des services excellents. Je comprends que la question financière inquiète tout le monde, mais voulez-vous vraiment dire que, si nous n'augmentons pas sensiblement nos dépenses, nous verrons se dégrader nos services médicaux et hospitaliers? Qu'est-ce qui le prouve?

**Dr. Thomas:** La preuve vous crève les yeux. Déjà nous voyons les installations de soins les plus indispensables prises d'assaut par les malades chroniques, et ces malades représentent la population âgée.

**M. Blenkarn:** Il s'adonne que l'Ontario a fait beaucoup pour pallier cette crise. Elle a multiplié les établissements pour malades chroniques, ce qui a allégé la demande de lits de soins intensifs.

**M. Freamo:** Monsieur le président, le point important à considérer, ce n'est pas le pourcentage actuel du PNB. Sans doute celui de la Grande-Bretagne est-il inférieur au nôtre, mais il ne cesse de monter chaque année. La Grande-Bretagne accepte de consacrer à la santé une proportion toujours plus grande de son PNB et c'est cela qui permet toutes ces belles choses que vous avez vues sur les diapositives. Si ce que vous voulez, c'est que les services canadiens se maintiennent au niveau actuel, contentez-vous du pourcentage actuel du PNB. D'ailleurs, c'est ce que fait la formule EPF et, dans les trois ans qui viennent, le gouvernement fédéral versera le même pourcentage du PNB, pas un sou de plus. Mais, ce faisant, vous assurez la continuation d'un régime qui ne répond plus aux besoins. Si vous voulez l'améliorer, il vous faut augmenter le pourcentage du PNB. C'est la seule façon de réaliser les améliorations dont vous parlez.

**Dr. Charbonneau:** Monsieur Blenkarn, puis-je ajouter quelque chose, toujours à titre de simple omnipraticien. Je disais hier soir aux membres du Comité que c'était un triste signe des temps que nous soyons ici, comme médecins, à vous expliquer ce que nous considérons comme minimum indispensable.

Qui m'aurait dit, à ma sortie de l'École de médecine, qu'un jour je serais membre d'un hôpital et que je me débattrais dans les budgets. Je prévoyais bien que mon hôpital me demanderait un jour de définir, non pas des normes minimums, mais sûrement des normes maximums, car c'est ce que je veux pour mes malades. Je vais vous donner un exemple comme praticien ordinaire. A l'hôpital où je suis et qui doit bientôt s'agrandir, on a demandé aux médecins de faire connaître ce qu'ils croient nécessaire pour bien équiper les nouveaux locaux. Le total s'est élevé à un million et demi de dollars. Le ministre nous a répondu que nous aurions environ \$400,000 et qu'il nous fallait nous arranger avec cela—moins du tiers de ce que nous demandions. Et j'ai été étonné de voir mon personnel médical recevoir la nouvelle avec un haussement d'épaules, car aujourd'hui les médecins ont l'habitude de ne recevoir que des minimums. Comme je l'ai dit, cela m'inquiète beaucoup. L'ef-

[Texte]

am very concerned about this. I think it has a deleterious effect on my profession as well as the patients we serve.

**Mr. Blenkarn:** I quite agree with you. I just wanted to explore with you where we are going.

**Dr. Charbonneau:** But it is the reality if we are dependent totally on government to fund us, because the answer we have at least in Ontario—we now have a \$5 billion health care budget in Ontario. I think if you took a very modest 10 per cent rate of inflation over the next five years, the health care budget in Ontario alone will double to \$10 billion. That is now 80 per cent of our entire provincial budget. I do not know where the provincial government is going to find that kind of money. If the federal government has not got the money to back it up, then where is the money coming from? I think it will have to come from private funding. As much as there are members in our society who find that a wicked thing to say, I think that our patients are increasingly becoming aware that they do not want their health care skimmed upon. If it calls for some participation then it is going to have to be.

**Dr. D. L. Wilson:** Mr. Chairman, I think Mr. Blenkarn's question, though, as to how we can get around the contradiction between these maternal mortality rate figures and infant mortality figures can be reconciled with the statement that the system is in trouble. You can go into almost any hospital in the country and be shown evidence that the system is in trouble. But before we get the kind of trouble that shows up with mortality rates, it takes the passage of time. I think there are escapable hazards to patients in many hospitals in this country today because of the conditions of the sort that Dr. Charbonneau emphasized. But we are reaping now the success of good medical care of a decade ago, and what we do now and what we do in the next few years is going to determine the mortality rate of our population in 1990.

• 1200

Moreover, as we emphasized before, you cannot measure success just in mortality rates. You have to measure the success of medical care in comfort, in lengthening useful years of life, in lengthening working time and sparing patient discomfort. These are things that are not measured by any statistic. But there is lots of evidence. If we failed to make the point today that the system is in trouble, then something has gone terribly wrong with our brief.

**Mr. Blenkarn:** I would like to ask one more question and then I will pass to my colleagues.

We were in Prince Edward Island and Newfoundland last week and heard briefs there in connection with medical service and so on. One of the concerns is that clearly in these provinces there is not the degree of specialization or number of specialists available or a number of general practitioners available, for that matter. But these are also relatively small and sparsely populated provinces. What is your view on that? Should we be funding in such a way in those provinces as to supply, for example, to somebody in Prince Edward Island a CAT scanner? Should we go on to some of the sophisticated things that are available in the major metropolitan hospitals, say, in Halifax or in Montreal or in Toronto? To what extent

[Traduction]

fet est désastreux sur ma profession aussi bien que sur nos malades.

**M. Blenkarn:** Je suis bien d'accord avec vous. Je voulais juste voir avec vous où nous allons.

**Dr. Charbonneau:** Mais ce que je dis est la réalité si nous dépendons exclusivement du gouvernement pour nous financer. Voyons ce qui se passe en Ontario où le budget de la santé atteint 5 milliards. Si l'on fixe modestement à 10 p. 100 le taux d'inflation, ce budget aura doublé dans cinq ans. A 10 milliards, il constituera 80 p. 100 du budget total de la province. Je ne sais vraiment pas où le gouvernement provincial trouvera tant d'argent. Si le gouvernement fédéral n'a pas non plus d'argent pour aider, où la prendre? A mon avis, il devra venir du secteur privé. Même si certaines gens me reprochent de le dire, j'ai le sentiment que nos malades, de plus en plus, s'opposent à ce qu'on lésine sur les soins qu'on leur donne. Si cela veut dire une certaine participation aux frais, il faudra s'y résigner.

**Dr D. L. Wilson:** Monsieur le Président, quand M. Blenkarn demande comment expliquer la contradiction entre le taux de mortalité maternelle et celui de la mortalité infantile, peut-être la réponse est que le régime est en difficulté. Il suffit d'entrer dans n'importe quel hôpital du pays pour s'en rendre compte. Mais il faut du temps avant que cela se reflète dans les taux de mortalité. Il y a, dans bien des hôpitaux, des risques inutiles pour les malades à cause de conditions comme celles que le Dr Charbonneau a soulignées. Nous profitons aujourd'hui de l'excellence des services médicaux d'il y a une décennie. Ce que nous ferons maintenant, ce que nous ferons dans les quelques prochaines années déterminera le taux de mortalité de notre population en 1990.

D'ailleurs, comme on l'a si bien dit déjà, le succès ne se mesure pas au taux de mortalité seulement. Il y a le confort offert, la prolongation des années utiles de vie, la prolongation de la vie active et le bien-être du malade. Tout cela ne se mesure pas en termes de statistique, mais peut se constater à bien des signes. Si nous ne réussissons pas aujourd'hui à démontrer que le régime est en difficulté, il y a quelque chose de vraiment pas correct avec notre mémoire.

**M. Blenkarn:** J'ai encore une autre question à poser. Après quoi, je céderai ma place à mes collègues.

Nous étions dans l'île-du-Prince-Édouard et à Terre-Neuve la semaine passée et nous avons entendu des mémoires sur les services médicaux et autres questions connexes. Une plainte exprimée porte sur l'insuffisance, dans ces provinces, de la spécialisation ou du nombre de spécialistes disponibles, même, quant à cela, du nombre d'omnipraticiens disponibles. Il s'agit bien sûr de provinces relativement petites et peu peuplées. Qu'en pensez-vous? Faut-il pousser le financement dans ces provinces au point de fournir, par exemple un tomographe CAT à qui en a besoin dans l'île-du-Prince-Édouard? Faut-il aller jusqu'aux installations sophistiquées que l'on trouve dans les grands hôpitaux urbains, mettons, à Halifax, à Montréal ou



[Text]

should government be doing the type of funding to make sure that in fact there is the best care available everywhere in the country?

**Dr. Thomas:** Obviously, sir, this brings up the whole question of manpower and regionalization of hospital services. I think we have to strike a balance between what is safe and reasonable and what is cost effective. I think that is a matter that in many areas the medical profession will be quite prepared to give advice on and recommendations to the politicians. Unfortunately, sometimes the advice is not asked for and altogether too often decisions are based on political expediency rather than on medical need. I could give you a number of examples in my province of British Columbia where such decisions have been made.

**Dr. D. L. Wilson:** Mr. Chairman, I think I would like to say, too, that it would be unthinkable to the Canadian Medical Association that Canada would allow significant regional disparities in the quality of medical care. In modern terms a CAT scanner is an essential component of modern medical care.

But that does not mean that we can guarantee to every single citizen, whether he is living in Pelly Bay in the Arctic or in downtown Toronto—absolutely identical services. We may have to provide regional facilities and provide transportation to get the patients there. After all, even in a heavily settled part of the country the patient who has a heart attack right next door to the hospital has a better chance of surviving than a person who lives on a farm outside the city.

**Mr. Blenkarn:** Thank you very much.

**The Chairman:** Mr. Blaikie.

**Mr. Blaikie:** Mr. Chairman, I would like to begin by adding my own compliments to the Canadian Medical Association on the quality of their presentation, with the possible exception of that last little routine on the Soviet Union which I find to be in a category all by itself.

Before I go on to ask a number of questions, I would like, as others have done, to respond to some of the things you have said to us.

I am not quite sure why all the data on longevity, particularly because it seems to me that it gives the wrong impression about what we can expect, at least those of us who aspire to live as long as Methuselah. It seems to me what you left out was the fact that life expectancy has increased primarily because of the eradication of infectious diseases and the improvement in the infant survival rate. So, really, it is also true to say that for those who have made it out of infancy the life expectancy rate has not increased as dramatically as you would have us believe. What has affected the over-all perception of life expectancy rates is the fact that many more people are now making it out of childhood and that we have come to a bit of an impasse or a plateau, if you will; and until we make significant breakthroughs in the eradication of diseases such as cancer and heart disease, these optimistic extrapolations from past trends are somewhat misleading.

[Translation]

à Toronto? Dans quelle mesure le gouvernement doit-il pratiquer ce genre de financement et faire en sorte que le meilleur service possible soit accessible partout dans le pays?

**Dr Thomas:** Bien sûr, Monsieur, cela soulève toute la question de la main-d'œuvre et de la régionalisation des services hospitaliers. Il va falloir trouver un équilibre entre, d'une part, le sécuritaire et le raisonnable et, d'autre part, le rentable et l'économique. Sur ce point, dans bien des régions, la profession médicale est en mesure de donner des conseils et de faire des recommandations aux hommes politiques. Malheureusement ses conseils, parfois, on ne les demande pas et trop souvent les décisions prises se fondent davantage sur des raisons politiques que sur les besoins médicaux. Je pourrais vous citer un tas d'exemples de pareilles décisions, des exemples tirés de ma province de la Colombie-Britannique.

**Dr D. L. Wilson:** Monsieur le président, je crois devoir faire remarquer ici qu'aux yeux de l'Association médicale il est impensable que le Canada puisse permettre des disparités régionales significatives dans la qualité des services médicaux et hospitaliers. Un appareil de tomographie est un élément essentiel d'une installation médicale moderne.

Cela ne veut pas dire que nous pouvons garantir des services absolument identiques à chacun des citoyens, qu'il demeure à Pelly Bay, dans l'Arctique, ou dans le centre-ville de Toronto. Il faudra peut-être prévoir des établissements régionaux et fournir le transport aux malades. D'ailleurs, même dans les parties densément peuplées du pays, le malade qui subit une attaque cardiaque à la porte d'un hôpital a plus de chance de survivre que celui qui est frappé sur une ferme à l'extérieur de la ville.

**Mr. Blenkarn:** Je vous remercie.

**Le président:** A vous, Monsieur Blaikie.

**Mr. Blaikie:** Monsieur le président, je tiens d'abord à féliciter, moi aussi, l'association médicale du Canada pour l'excellence de la présentation, si l'on veut bien oublier la dernière petite ritournelle sur l'Union soviétique que je veux bien considérer comme une digression.

Je vais poser un certain nombre de questions, mais avant, comme les autres, je veux répondre à quelques unes des observations que vous nous avez faites.

Je me demande ce que viennent faire toutes les données sur la longévité, d'autant plus que cela ne nous dit pas à quoi s'attendre, du moins à ceux parmi nous qui aspirent à vivre aussi vieux que Mathusalem. A mon avis, vous avez oublié que l'augmentation de l'espérance de vie est d'abord due à la disparition des maladies infectieuses et à l'amélioration du taux de survie des enfants. Il est donc aussi vrai de dire que, pour ceux qui ont passé l'âge de l'enfance, l'augmentation de l'espérance de vie n'a pas connu l'augmentation spectaculaire que vous voulez bien nous faire croire. Ce qui nuit à une juste perception des taux d'espérance de vie, c'est que de plus en plus de personnes survivent à l'enfance et nous en sommes arrivés à une sorte d'impasse ou de plateau, si vous voulez; tant que des succès réels n'auront pas été réalisés dans la suppression de maladies comme le cancer et les affections cardiaques, toute extrapolation optimiste de tendances passées risque d'induire en erreur.

[Texte]

• 1205

I certainly do not have any objections to you playing on our emotions, because I do not think you are playing on our emotions as such; I think you are reminding us that what we are talking about here is a matter of flesh and blood and a matter of life and death, and it is very good for us to be reminded of that and not to be lost in fiscal concepts and in the apparent fiscal needs of the federal government and not to lost track of just what we are about here. I was particularly pleased by some of the things you had to say about the need for more paramedical services and improvements in ambulatory service. I come from a community which as yet has no ambulance service located in it. Perhaps if you had someone from my riding to do an analysis, that might have been one of the things brought up.

It seems to me, as one of those who think private money is mildly wicked—that is on my happier days—that we do agree about a number of things. Certainly we agree about the total picture; that is to say, that the medicare system in this country is radically under-funded. All the anecdotal evidence you have provided—and I was particularly moved by the evidence concerning Mississauga—is much more damaging than any of the statistics on GNP or however you want to manipulate the figures. I think you probably could have left out all that and just thrown in another half hour of anecdotal evidence and it would have been much more impressive, because I think that is what ought to impress: that people are waiting for 48 hours to get into intensive care and that people are lined up at the emergency doors—sometimes closed emergency doors—and that interns are having to practice triage in the emergency ward. These kinds of things ought not to be going on in our system.

So I agree with you that this is what is happening and that rationing is going on now. But it seems to me you have put the question in a somewhat straight forward but nevertheless deceptive way, in this sense. You have said, listen, either there is going to be more private money or there is going to have to be a whole lot more government money. It is one or the other. I would agree with you, except it seems to me you have a preference, and it is not just a case of laying before us a difficult decision on which you have no collective opinion.

In that respect I did not think the remarks of my colleague from Vaudreuil were entirely accurate. I think you have made suggestions. I think you have suggested that one of the ways out of this is more infusion of private money into the system. The preference for more private money, at least insofar as patient participation is concerned, et cetera, is in your brief. It is there. It is not something which is that hard to pick up. I think you ought to own up to that and try to explain to us why you think private funding—and I am talking now about private funding as it pertains to physician involvement in medicare. Your 25 per cent figure as far as private money is concerned having to do with dentists and pharmacare and all those other things is a point well taken, except if I had my way it would not be private money; that would also be under the public system. So it is not a very persuasive argument for those

[Traduction]

Je ne m'oppose, certes pas, à vous voir faire appel à nos sentiments, car je ne crois pas que vous le faites pour nous prendre par ce moyen. Vous le faites, je pense, pour nous rappeler que ce sont des questions de chair et d'os, des questions de vie et de mort que nous discutons ici. Et il est bon que ce rappel nous soit fait pour nous éviter de nous perdre dans les notions de fiscalité et dans les possibles besoins fiscaux du gouvernement fédéral, et d'oublier ainsi la raison d'être de notre présence ici. J'ai été particulièrement heureux d'entendre certaines des choses que vous avez dites au sujet du besoin d'augmenter le nombre des services paramédicaux et d'améliorer les services d'ambulance. Je viens d'un endroit qui n'a pas encore d'ambulance. Peut-être qu'une analyse faite par une personne de ma circonscription aurait pu entrer dans la discussion.

Quant à moi qui, certains jours de bonne humeur, vois d'un mauvais œil les fonds privés, je crois que nous sommes d'accord sur un certain nombre de points. Chose certaine, nous nous entendons sur le diagnostic général, c'est-à-dire que le régime d'assurance-maladie du pays souffre nettement d'un manque de fonds. Tous les incidents que vous avez apportés comme témoignages—et j'ai été impressionné par celui de Mississauga—ont bien plus de poids que toutes les statistiques sur le PNB ou tout autre chiffre manipulé comme vous voulez. Vous auriez pu, à mon avis, oublier tous ces chiffres et y aller d'une autre demi-heure de récits vécus et nous aurions été encore plus impressionnés. Car ce sont ces choses qui frappent: des gens qui attendent 48 heures pour accéder aux soins intensifs, des gens qui font la queue à la porte, parfois fermée, de l'urgence, des internes obligés de procéder à un tri dans les services d'urgence. Voilà des situations qu'on ne saurait tolérer dans notre régime.

Je vous concède donc que c'est ainsi que cela se passe et que la pénurie persiste. Par contre, à mes yeux, vous posez le problème d'une façon directe et trompeuse à la fois. Voici comment. Vous dites qu'il faut ou bien augmenter l'apport de fonds privés ou bien hausser de beaucoup la contribution des gouvernements. C'est l'un ou l'autre. Je suis d'accord, sauf que vous paraissiez avoir une préférence. Il ne s'agit pas seulement de poser une alternative difficile sur laquelle vous n'avez pas déjà fait votre opinion collective.

Sur ce point, les remarques de mon collègue de Vaudreuil ne me paraissent pas tout à fait exactes, car vous avez vraiment fait des propositions. Vous proposez comme solution l'injection de fonds privés dans le régime. Votre préférence pour les fonds privés, du moins en ce qui concerne la participation du malade et autre chose, ressort bien de votre mémoire. Elle est bien là. Ce n'est pas quelque chose de difficile à déceler. Vous devez l'admettre et vous devez nous expliquer pourquoi vous optez pour un financement privé, et je parle de ce financement en tant qu'il se relie à l'engagement du médecin dans l'assurance-maladie. Nous acceptons votre chiffre de 25 p. 100 en ce qui concerne les fonds privés qui vont aux dentistes, aux pharmaciens et à d'autres, sauf que si j'en avais le pouvoir, ce ne sont pas des fonds privés que ces gens toucheraient, mais des fonds publics du régime public. C'est pourquoi l'argument est assez



[Text]

who think those areas of concern ought to be brought within the public realm as well.

• 1210

I see in your brief a preference for more private money, and I cannot help but ask myself how this private money would be brought into the system, at least insofar as it pertains to physicians, except by means of extra-billing.

**Dr. Thomas:** Well, sir, with respect, I do not honestly believe we have displayed a preference for private funding. What we have pointed out to you is that there is a glaring need for increased funding; that the federal and provincial contributions must be increased. We have pointed out the glaring gap in health care funding in this country, and we have simply demonstrated that if the funding is not forthcoming from federal or provincial sources, the only other alternative is private funding. You may interpret that as showing a preference, but I do not believe that is so.

As for your comments on private funding of physicians' services, please be aware—and I am sure you are—that private funding for medical services represents 2 per cent of total expenditure on medical care services. I submit to you, sir, that what we have here is a major car accident with almost total demolition, and we are talking about a dent in the rear fender. In relative terms I do not think your concerns over 2 per cent in private funding for medical services are particularly appropriate to the more serious question of over-all funding which is at issue.

**Mr. Blaikie:** Under-funding is not the only issue you have addressed in your brief. I took the time to read the brief last night, and you spent a lot of time on the whole question of patient participation, and you seem to be worried, not just that—it is one thing to be worried that what you are worried will become state medicine will be under-funded state medicine; it is another thing to worry about state medicine on principle. It seems to me you are worried about two things: one, that the system is becoming more and more what you would call state medicine, and certainly the worry you have that extra-billing will be outlawed somehow seems to be a sort of threshold in your perception of the medicare system—if extra-billing were to be outlawed, we would cross some line into what you would call state medicine as opposed to an insurance program. So you are worried about matters of principle as well as matters of under-funding, I would submit.

So I want to ask you, as far as extra-billing is concerned, is that the line? If extra-billing were to be outlawed, as it has been suggested it be banned in the upcoming renegotiation of EPF, and if there were to be more articulated national standards, and if that were one of them, would that be the line between the sort of ideological mongrel, the system we have now, and state medicine?

**Mr. Freamo:** I think with the record the Canadian Medical Association can look at of the last 10 years of the funding of the system, if we suggested that there should be no more

[Translation]

faible pour ceux qui croient que ces secteurs aussi devraient entrer dans le domaine public.

Je vois dans votre mémoire une préférence pour un apport supérieur de fonds privés, et, forcément, je me demande comment amener dans le régime cet argent privé, du moins pour ce qui concerne les médecins, si ce n'est par l'exigence, de leur part, d'honoraires supplémentaires.

**Dr Thomas:** Sauf votre respect, monsieur, je ne crois pas, sincèrement, que nous montrons une préférence pour le financement privé. Nous faisons observer que le besoin de fonds supplémentaires est criant, qu'il faut augmenter les contributions des gouvernements fédéral et provinciaux. Nous avons souligné le manque aberrant de fonds dont souffre l'assurance-maladie dans notre pays et nous démontrons simplement que, si l'argent ne peut venir de sources fédérales ou provinciales, il ne reste plus que le secteur privé. Libre à vous d'y voir l'expression d'une préférence, mais, à mon point de vue, il n'en est rien.

Au sujet de ce que vous dites sur l'argent privé qui sert à payer les services professionnels des médecins, vous savez bien—et j'en suis sûr—que cela ne représente que 2 p. 100 du total des dépenses faites au titre des services médicaux. Notez, monsieur, que ce qui est en cause ici est un accident grave avec démolition presque complète de la voiture et nous nous énermons d'une égratignure sur le pare-choc arrière. Toutes proportions gardées, votre inquiétude au sujet des 2 p. 100 de fonds privés qui vont aux services médicaux ne me paraît guère pertinente à la grave question à l'étude, le financement général du régime.

**M. Blaikie:** L'insuffisance de fonds n'est pas la seule préoccupation de votre mémoire. J'ai pris le temps de le lire hier soir. Vous vous y attardez longuement sur la participation financière du malade et vous semblez exprimer des craintes. Car n'oubliez pas, craindre que ce que vous appréhendez comme médecine d'État devienne une médecine d'État sous-financée est une chose et c'en est une autre que de craindre la médecine d'État par principe. Deux choses vous inquiètent: d'abord que le régime actuel devienne ce que vous appelez médecine d'État et ensuite que le supplément d'honoraires soit interdit. Car, dans votre esprit, cette interdiction est la ligne limite qu'il ne faut pas dépasser sous peine de voir le programme d'assurance-maladie devenir ce que vous appelez médecine d'État. Vos soucis, me semble-t-il, portent ainsi sur des questions de principe et sur des questions d'insuffisance de fonds.

Je vous le demande, n'en est-il pas ainsi en ce qui concerne le supplément d'honoraires? Si celui-ci était interdit, comme on l'a suggéré, s'il était banni de la prochaine négociation de l'entente fédérale-provinciale et si cette dernière précisait des normes nationales prévoyant une telle interdiction, est-ce que cela voudrait dire qu'on aurait dépassé la ligne pseudo-idéologique qui sépare l'assurance-maladie et la médecine d'État?

**M. Freamo:** Devant ce qu'elle voit du financement du régime depuis 10 ans, l'Association médicale du Canada, en suggérant de supprimer les fonds privés, commettrait la plus

[Texte]

private funding we would be making the worst mistake that we ever made or that could ever happen to Canadians. Private funding is the only method of keeping the system honest. If the governments do not come up with the money, it has to come from somewhere. If you are asking us to put our heads in a noose and say, well, even if the governments do not come up with the money, you cannot have any, what are you asking us to do?

**Mr. Blaikie:** As far as you yourselves are concerned, as far as your own incomes are concerned, I am asking you to accept the same kind of constraints that every other Canadian is called upon to accept.

• 1215

**Mr. Freamo:** But they do not have to accept these constraints at all, Mr. Blaikie.

**Mr. Blaikie:** Well I do not know anyone else who can extra bill the firm they work for or extra bill the students they teach or extra bill the constituents they serve. So it seems to me that you are asking for something that is quite unique.

**Mr. Freamo:** But you do not have anybody else setting the terms of the bill as a third party, Mr. Blaikie. Nobody tells you that a businessman has to set his bill at this level and cannot charge anymore. You are mixing up two completely different concepts when you are talking about the concern of the medical profession to ensure that some funding comes into the system, notwithstanding the record of the governments we are dealing with. That is the important thing for private funding in the future.

**Mr. Blaikie:** But the private funding you are talking about, insofar as that private funding is billing by physicians over and above what the plan will pay them, is money that is not going into the system.

**Mr. Freamo:** Certainly it is going into the system.

**Mr. Blaikie:** It is money that is going to doctors.

**Mr. Freamo:** Well, that is part of the system, is it not?

**Mr. Blaikie:** Well, yes, but it seems to me that it is a bit of a sleight of hand to equate yourself with the entire system.

**Mr. Freamo:** I hope you would agree we would be pretty important part of the system, Mr. Blaikie.

**Mr. Blaikie:** Yes, but I think it is one thing to say that the system needs more money and another thing to imply that through extra billing by physicians new machines which need to be provided for hospitals and more chronic care beds and all the needs you have pointed out would be addressed through increasing private funding, which as far as I can make out is the same as physicians billing their patients for more money. What other kind of private funding are you talking about other than the funding which now exists in areas not covered by medicare? What other kind of funding are you talking about?

**Dr. D. L. Wilson:** With great respect, sir, what you are saying is logical but it is distorting the argument that we came here to make today. It is a matter of fact, sir, that private

[Traduction]

grande erreur de son existence et rendrait le pire des services aux Canadiens. Le financement privé est le seul moyen de conserver l'intégrité du régime. L'argent, si les gouvernements ne la fournissent pas, il faut bien la prendre quelque part. N'essayer pas de nous prendre au piège et de nous dire que même si les gouvernements n'en donnent pas il faudra bien s'en passer, et que voulez-vous qu'on fasse?

**M. Blaikie:** En ce qui vous regarde vous-même, en ce qui regarde votre propre revenu, je vous demande d'accepter le même type de contraintes que doivent accepter tous les autres Canadiens.

**M. Freamo:** Ils n'ont pas, du tout, à accepter ces contraintes, monsieur Blaikie.

**M. Blaikie:** Pourtant je ne connais personne qui puisse exiger un supplément de salaire à l'entreprise qui l'emploie, aux étudiants auxquels il enseigne ou aux commenttants qu'il sert. Ce que vous demandez me paraît tout à fait unique.

**M. Freamo:** Mais il n'y a personne d'autre, non plus, qui souffre qu'un tiers fixe le montant de la facture, Monsieur Blaikie. Personne dit au commerçant qu'il doit exiger tant et pas un sou de plus. Vous confondez deux notions absolument différentes quand vous parlez du souci de la profession médicale d'assurer le financement du régime d'assurance-maladie, quelle que soit la performance des gouvernements avec lesquels elle traite. C'est cela qui compte en ce qui concerne le financement privé dans l'avenir.

**M. Blaikie:** Parlant de financement privé, s'il s'agit du versement d'honoraires au médecin en plus de ce qu'il touche de l'assurance, c'est de l'argent qui ne va pas au régime.

**M. Freamo:** Certainement qu'il va au régime.

**M. Blaikie:** C'est de l'argent qui va au médecin.

**M. Freamo:** Le médecin n'est-il pas partie intégrante du régime?

**M. Blaikie:** Si vous le voulez, mais, à mon sens, c'est un peu forcer la note que de vous prendre pour le régime en son entier.

**M. Freamo:** Avouez, monsieur Blaikie, que nous en sommes une partie pas mal importante.

**M. Blaikie:** Sans doute, mais c'est une chose que de dire que le régime a besoin de plus d'argent et c'en est une autre que de laisser entendre que, grâce au supplément d'honoraires consenti aux médecins, seront satisfaits tous les besoins, machines pour les hôpitaux, lits pour malades chroniques et autres, qu'est censé satisfaire une augmentation de l'apport privé, augmentation qui me paraît se résumer à permettre au médecin de demander plus d'argent à son malade. A quel autre financement privé songez-vous, à part celui qui existe dans les secteurs non couverts par l'assurance-maladie? En voyez-vous d'autres?

**Dr D. L. Wilson:** Avec tout le respect que je vous dois, Monsieur, ce que vous dites est logique, mais déforme le plaidoyer que nous sommes venus faire ici aujourd'hui. C'est un



[Text]

funds going to physicians are 2.8 per cent of the total private funding involved. It is small potatoes. It is hardly worth discussing here today.

Now I am prepared, and we are all prepared, to discuss the issue of the payment of physicians. It is a complicated thing and it would be a misrepresentation to suppose that members of the Canadian Medical Association are lined up monolithically wishing to bill their patients directly. In the province I belong to, sir, the vast majority of doctors do not bill their patients directly, but everyone of us in Ontario and across the country is a debtor to the small number of physicians who do bill for a small number of services. We are not a unique.... Well, I guess we are a unique segment of society insofar as we provide services which most of us feel we cannot ethically withdraw.

The one way in which we can further our case is to bill patients directly when there is not enough money in the system, when our services appear to be underfunded, and our patients in many cases, indeed in most cases, tend to agree with us, not wholeheartedly. Really, sir, this is a very complex issue, but it is a small issue as far as the underfunding of the system as a whole. I think the people of Canada would be very ill served if the doctors of Canada had no way to argue their case before government other than to withdraw services.

**Dr. Blaikie:** If they did not have that option of extra billing then they might have to in these provinces where health care is used as an avenue of restraint and where you have ministries of health that are totally insensitive and give you one-third of what you ask for. Then the political process in those provinces, and perhaps we could say in all provinces—I do not have any inclination to pick and choose—would have to become more sensitive to the whole question of health care. The problem, it seems to me, is that the safety valve you want for yourself is not just a safety valve for yourself in terms of physician frustration or physician alienation or however you wish to describe it. It is a safety valve for government that you, by being willing to take the step of extra billing and by being willing to make these arguments for private funding, are in fact letting the very governments off the hook that you have come here to criticize today for not providing the funds which you think they ought to provide.

• 1220

So what I am asking you to do, insofar as my criticisms of your inclination for private money are concerned, is both to have more faith in the political process in your respective provinces and to go about creating the public opinion, talking to your patient about the need to become involved in the political process in his province rather than charging him more. There are two options there. One is a little bit more long term, I agree, but I think the problem is that Canadians in general rely on the experts, the doctors, the bureaucrats, the politicians and so on, to provide them with their health care

[Translation]

fait que les fonds privés que touchent les médecins représentent 2.8 p. 100 de tous les fonds privés dépensés pour les soins médicaux. C'est de la petite bière. Ça ne vaut même pas la peine d'en parler ici aujourd'hui.

Par ailleurs, je suis prêt,—et nous le sommes tous,—à discuter la question des honoraires du médecin. C'est une affaire compliquée et il serait faux de supposer que tous les membres de l'Association ont la même opinion là-dessus et veulent facturer leurs malades directement. Dans la province d'où je viens je fais partie de la vaste majorité des médecins qui ne facturent pas directement le malade, mais chacun de nous, en Ontario et dans le pays, est redevable au petit nombre de médecins qui exigent des honoraires pour un nombre restreint de services. Nous ne sommes pas unique... À vrai dire, nous sommes peut-être un secteur unique de la société en ce sens que nous fournissons un service que la plupart d'entre nous ne jugeraient pas éthique de refuser.

Ce supplément d'honoraires est le seul moyen dont nous disposons pour plaider notre cause quand le régime manque de fonds, quand nos services ne semblent pas rémunérés comme il se doit et quand nos malades, dans bien des cas, voire dans la majorité des cas, tendent à être d'accord avec nous, pas nécessairement de gaieté de coeur. Vraiment, monsieur, c'est une question compliquée, mais elle est mineure à côté du financement du régime dans son ensemble. Je crois que la population canadienne serait mal servie si les médecins du Canada, pour plaider leur cause auprès du gouvernement, n'avaient d'autres moyens que de refuser le service.

**Dr. Blaikie:** C'est ce qui pourrait arriver, si les médecins n'avaient pas la faculté d'exiger un supplément, dans les provinces qui utilisent les services médicaux et hospitaliers comme champ de compressions budgétaires et où des ministères se montrent insensibles et coupent au tiers les demandes. Ce qui amènerait le monde politique de ces provinces, même de toutes les provinces,—je ne tiens pas à en désigner en particulier,—à se montrer moins indifférent à la grande question de la santé publique. Comme je vois la chose, la soupape de sûreté dont vous voulez disposer vous ne la voulez pas seulement pour vous-mêmes, contre, mettons, la frustration et l'aliénation des médecins, mais aussi pour le gouvernement. Si bien qu'en étant prêts à exiger un supplément et à venir plaider la cause du financement privé, vous lavez la conscience de ces mêmes gouvernements à qui vous reprochez de ne pas fournir les fonds que, d'après vous, ils devraient fournir.

Ce que je vous demande, compte tenu de mes critiques à l'endroit de votre affection pour l'argent privé, c'est, d'une part, d'avoir une plus grande confiance dans le processus politique, chacun dans sa province, et, d'autre part, de créer une opinion publique, de convaincre vos malades de se mouiller dans l'action politique de leur province, au lieu d'exiger plus d'argent de lui. Ce sont deux voies qui vous sont ouvertes. Sans doute l'une ne peut qu'avoir des effets à long terme, mais le problème est qu'en général les Canadiens s'en remettent trop aux experts, aux médecins, aux bureaucrates, aux hommes

## [Texte]

system. Maybe it is about time they got more involved in thinking about what constitutes a good health care system. Instead of extra billing them maybe you could do a little public education. It might pay off better in the long run.

**Dr. D. L. Wilson:** We do, sir, but I think, as you can see, we are coming down to an area where there is a disagreement as to whether or not we feel that private money is wicked.

**Dr. Blaikie:** Mr. Chairman, the reason I concentrated on that was because I agree with many of the other things you have to say about underfunding. So there is no sense in our sitting here and stroking each other about what we agree on.

**Dr. Thomas:** Give our more candy, and much of that will go away.

**Dr. Baltzan:** Mr. Chairman, I think we are spending all our time on 2 per cent of the problem, but I do think that Mr. Blaikie misinterpreted the comments on Russia. He obviously thought I was coming here giving him an ideological diatribe. I was talking about the amount of money in a system and its effect on the health of the people, not whether the money came from a command economy, a market economy, whether the government paid it or patients paid it.

What we showed was that in Russia under the command economy system by the Soviet Union, by the Communist Party, they had an enormous improvement in life expectancy up to the 1950s, which for the left view is a great triumph. There is no question it was true. Then they reduced the amount of money and their health went downhill. We are trying to make the point that there is a relationship between the amount of money expended on health care and the health of the population. This document provided such evidence. It has nothing to do with ideology whatsoever.

**Dr. Thomas:** As I said before, underfunding is dangerous to your health.

**Mr. D. Geekie (Director of Communications, Canadian Medical Association):** Mr. Chairman, I have just a couple of comments on this preamble to the members of the committee. I am a staff member of the association; I am not a physician. One of my principal ongoing urgings to my employers is that they are too polite and not quite political enough on many occasions.

Mr. Blaikie, you have made a suggestion that the profession should have a great deal more faith in the political process at the provincial level. I wish they could, sir, but 43,000 physicians across this country as a political force are practically a non entity, and when you boil it down into a provincial basis it becomes even worse. I would be pleased, sir, to give you a long list of situations where political governments at the provincial level, on purely political bases in terms of what you are talking about, have decided unilaterally precisely what is going to happen and that the physician be damned. So the profession

## [Traduction]

politiques, etc. pour le régime de soins médicaux et hospitaliers. Peut-être est-il temps qu'ils s'impliquent davantage et commencent à penser à ce qui constitue un bon service d'assurance-maladie. Au lieu d'exiger un supplément, vous pourriez peut-être faire un peu d'éducation populaire. Cela peut payer à la longue.

**Dr D. L. Wilson:** Nous le faisons, monsieur. Mais, comme vous le voyez, nous voici dans un secteur où tout le monde n'est pas d'accord pour dire que le financement privé est une vilaine chose.

**Dr Blaikie:** Monsieur le président, si j'ai concentré mes remarques sur ce point, c'est que je suis d'accord avec beaucoup des autres choses qui ont été dites à propos de l'insuffisance de fonds. Cela ne sert à rien de nous asseoir ici et de nous encenser mutuellement.

**Dr Thomas:** Soyez plus généreux et beaucoup de cela va disparaître.

**Dr Baltzan:** Monsieur le président, nous perdons, ce me semble, beaucoup de temps sur 2 p. 100 du problème. Il semble néanmoins que M. Blaikie n'ait pas compris les commentaires concernant la Russie. Manifestement, il a cru que je voulais lui donner une leçon idéologique. Je parlais des sommes, plus ou moins grandes, dont peut disposer un régime de soins et de l'effet de cela sur la santé de la population. Il ne s'agissait pas de savoir si l'argent venait d'une économie dirigée ou d'une économie de marché, ni non plus si c'était le gouvernement ou le malade qui payait.

Nous avons dit que la Russie, sous un régime d'économie dirigée par l'Union soviétique, par le parti communiste, a réussi, jusqu'en 1950, à prolonger considérablement l'espérance de vie de ses citoyens. C'est une plume au chapeau de la gauche. Et c'est un fait avéré, il n'y a pas de doute. Par la suite, elle a diminué le financement et la santé publique a dégringolé. Nous essayons de montrer qu'il y a une relation entre le montant d'argent dépensé pour les soins et la santé de la population. Le document que j'ai cité en apportait une preuve. Cela n'avait rien à voir avec l'idéologie.

**Dr Thomas:** Comme je l'ai dit tout à l'heure, un manque de fonds constitue un danger pour la santé.

**M. D. Geekie (directeur des communications, Association médicale du Canada):** Monsieur le président, j'aurais quelques mots à dire au sujet du préambule adressé aux membres du Comité. Je suis un employé de l'association; je ne suis pas médecin. Un des reproches que je ne cesse d'adresser à mes employeurs, c'est d'être, dans bien des occasions, trop polis et pas assez politiciens.

Vous avez dit, monsieur Blaikie, que la profession devrait montrer beaucoup plus de confiance dans le processus politique au niveau provincial. Je ne demande pas mieux, mais 43,000 médecins d'un océan à l'autre, ce n'est pas grand-chose comme force politique. Et si vous réduisez cela à la province, c'est pire encore. Je pourrais, monsieur, à votre convenance, vous citer une longue liste de cas, dans les domaines que vous avez soulevés, où le gouvernement provincial a décidé unilatéralement de ce qui devait arriver, et au diable le médecin. Si bien que la profession n'avait d'autre choix que d'accepter



*[Text]*

was left with absolutely no option but to either accept precisely what had been laid out or to go to a balanced billing. You can start in whatever province you like, sir. For Prince Edward Island we can give you chapter and verse; Manitoba, Saskatchewan, the list is pretty long.

Secondly, there was a question asked a little earlier, and this is not a part of the CMA recommendation or brief because it is really a political decision and a political negotiation for the federal and the provincial governments to decide. My employers tend to think it is somewhat important to come forth and suggest that they have the political expertise and knowledge to speak at any length and depth with a group such as this. But is it not at least perceivable, sir, for the federal and provincial governments to look upon health care as something slightly different from other cost-sharing programs because of the major involvement of the federal government initially in terms of initiating these programs and in terms of fulfilling its obligations and desires to serve in terms of equalization, as is soon to be enshrined, we trust, in the new constitution.

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Is it not feasible, sir, for the governments to negotiate a new type of EPF agreement whereby you have, I understand it, reasonably good indices or levels of fiscal capabilities of the various provinces, to design a new EPF formula whereby the federal government would provide on an ongoing basis a larger proportion of health care costs for the have-not provinces as compared to the have provinces? And we suggested this in the recommendations.

It did not say that you should necessarily continue to provide all of the moneys. It would be a real fund and perhaps make some of the debate of the last few months look like a kindergarten. But it might be conceivable, for example, that the federal government, in this inverse proportion to fiscal capability of the provinces, provide 25 or 30 per cent of health care costs and their moneys being made health care specific, not to individual programs but to health care, and that the range might be from 25 to 30 per cent for the have provinces to 70 or 80 per cent for the have-not provinces which just do not have the fiscal capability of providing that type of program.

**Mr. Blaikie:** I have one last comment, then, in response to that, in order that orders may get to ask questions.

As far as extra billing is concerned and this 2 per cent figure that keeps coming up time and time again: it may be 2 per cent of the problem statistically but it is not 2 per cent of the problem in terms of the way people perceive the medicare system; it is not 2 per cent of the problem in terms of what that represents as a solution to the problem of underfunding; and it is not 2 per cent of the problem as far as the principles of medicare are concerned, or at least how they are interpreted by people who are interested in the health care system.

We certainly would not want to ignore the fact that Justice Hall himself said that if extra billing was allowed to continue,

*[Translation]*

précisément ce qui avait été décidé ou de recourir au supplément d'honoraires. Et c'est le cas pour n'importe quelle province. Pour l'Île-du-Prince-Édouard, tout un volume; de même pour le Manitoba et pour la Saskatchewan.

En deuxième lieu, une question a été posée tout à l'heure et qui ne fait pas partie du mémoire ou des recommandations de notre association, car elle comporte une décision politique et des négociations d'ordre politique entre le fédéral et les provinces. Mes employeurs sont enclins à penser qu'il est important, en quelque sorte, de se présenter et de suggérer qu'ils possèdent la compétence politique et les connaissances voulues pour discuter avec un groupe comme le vôtre. Rien n'indique cependant que les gouvernements fédéral et provinciaux puissent envisager le programme de santé comme quelque chose d'un peu différent des autres programmes à frais partagés. C'est que le gouvernement fédéral est profondément impliqué du fait qu'il a commencé le programme et qu'il tient à remplir son mandat et à assurer une péréquation, qui bientôt, nous l'espérons, sera enchâssée dans la nouvelle constitution.

Ne serait-il pas possible pour les gouvernements de négocier un nouveau genre d'entente fédérale-provinciale. Sauf erreur, vous possédez déjà des renseignements assez précis sur la capacité fiscale de chacune des provinces. L'entente nouveau genre porterait que le gouvernement fédéral assumerait en permanence une plus grande partie des frais de santé dans les provinces pauvres que dans les provinces riches. Nous proposons cela dans nos recommandations.

Celles-ci ne disent pas que vous devez nécessairement continuer à fournir la totalité de l'argent. Ce serait énorme et les débats des derniers mois feraient figure de calcul de maternelle. Par contre, il n'est pas inconcevable, par exemple, que le gouvernement fédéral, tenant compte de la capacité fiscale de chacune des provinces, verse entre 25 et 30 p. 100 des coûts aux provinces à fort revenu et aille jusqu'à 70 et 80 p. 100 pour les provinces absolument incapables financièrement de fournir d'elles-mêmes de tels services. Et ces fonds versés par le gouvernement fédéral seraient destinés à l'ensemble des soins médicaux et hospitaliers, non à des programmes particuliers.

**M. Blaikie:** J'ai un dernier commentaire à faire en réponse à ce qui vient d'être dit. Après quoi, je passe la parole aux autres.

Pour revenir à la question du supplément d'honoraires et au chiffre de 2 p. 100 qu'on ne cesse d'invoquer, admettons que c'est 2 p. 100 du problème en termes de statistique. Mais ce n'est plus seulement 2 p. 100 du problème dans la perception que la population a de l'assurance-maladie ni comme élément de solution au problème de manque de fonds. Et ce ne sont plus seulement 2 p. 100 du problème si l'on songe aux principes qui sous-tendent l'assurance-maladie ou du moins à l'interprétation que donnent à ces principes les gens intéressés par un régime universel.

Chose certaine, on ne peut pas ne pas tenir compte de l'avis du juge Hall, selon lequel permettre la continuation du supplé-

## [Texte]

it would result in the creation of a two-tier system and the destruction of medicare as we know it. So it is not just 2 per cent of the problem. It is a big problem; it may be 2 per cent of the problem as far as finances are concerned or whatever; but it takes us back, I think, to the problem which Dr. Wilson mentioned earlier—and I am sorry he is not here now to respond to this—when he talked about the fact that many of the provinces were brought into the plan in the first place by the federal spending power, that they were seduced into the plan by a combination of federal spending power and the fact that certain provinces had already introduced systems, and that it was getting to be politically unviable not to have one for yourself.

My worry is this, that really, in spite of the language of established-programs financing, in spite of the fact that you have come here before us today and say that you accept medicare, et cetera, et cetera, I am worried that really medicare has never really been accepted by important actors in the health care enterprise here in Canada; that it has never really been accepted by certain provincial governments; that it has never really been accepted by a large percentage of the medical practitioners in the country. So that what we are in danger of, when we come to the point of underfunding, when we come to the point of having governments that are interested in restraint rather than health care, is having the sort of ideological compromise which medicare represents falling apart because there are plenty of people in the system, now running provincial governments, active in medicine, and federal politicians, who not so long ago opposed medicare. They are still alive; they have not given up their basic philosophical objection to the whole thing.

Just the other day, when we were at Queen's Park and I was discussing with the Treasurer of Ontario, Mr. Miller, we had a bit of an exchange, and finally he said he did not regard any of the established programs financing money as earmarked for health care. And I said, "What is the problem?" And in the end, I said to him, "What you are telling me is that you resent the fact that there was a medicare program in the first place". And he said, "Yeah, yeah; you are not wrong about that".

What I am saying is that we have a series of governments out there who wish that there was not a medicare system. So insofar as the Medical Association says that it accepts medicare, it has to be very careful that it does not act in such a way as to prejudice the survival of a medicare system in the country. Until we can really feel that these programs are established, my plea to you—although you are the ones who say you are begging—since you do have a certain amount of power in and by yourselves to extra bill and to do other things, is to not act in such a way as to create the impression that the medicare system is falling apart. That may mean that there would be some financial sacrifice on your part, but that is a sacrifice that I think you should not turn back from in the interests of holding together the system until such time as governments find the political will, motivated by public opinion, which you have to help to create, to put the money into the system that it requires.

## [Traduction]

ment d'honoraires, c'est créer un régime à deux étages et détruire, à toutes fins utiles, l'assurance-maladie comme nous l'entendons. Ce supplément ne représente pas seulement 2 p. 100 du problème, mais une large proportion. Ces 2 p. 100 ne valent que sur le plan financier ou sur le plan que vous voulez. Cela nous ramène au problème soulevé plus tôt par le Dr Wilson—je regrette qu'il ne soit pas ici pour répondre. Le Dr Wilson disait que c'est le pouvoir de dépenser du gouvernement fédéral qui avait amené nombre de provinces à participer au régime. Au début, qu'elles y avaient été attirées par ce pouvoir et aussi par le fait que certaines provinces avaient déjà un régime et que cela devenait politiquement rentable d'en avoir un soi-même.

Voici ce qui m'inquiète. On a beau discuter du financement de programmes établis, vous avez beau venir ici et nous dire que vous acceptez l'assurance-maladie, etc., etc. Il reste—et cela me préoccupe—que l'assurance-maladie n'a jamais vraiment été acceptée par des acteurs importants dans le domaine de la santé au Canada, qu'elle n'a jamais vraiment été acceptée par certains gouvernements provinciaux et, enfin, qu'elle n'a jamais été vraiment acceptée par une large proportion des médecins du pays. C'est pourquoi, quand on constate les difficultés de financement, quand on voit des gouvernements plus préoccupés de compressions budgétaires que de santé publique, on risque de voir tomber en pièces ce compromis idéologique que représente notre assurance-maladie. Il y a encore trop de gens dans le régime, dans les gouvernements provinciaux, dans la profession médicale et parmi les hommes politiques fédéraux, qui hier encore s'opposaient à l'assurance-maladie. Ils sont encore vivants et ils n'ont pas abandonné les principes qui les faisaient s'opposer.

L'autre jour, à Queen's Park où nous étions, je causais avec le trésorier de la province, M. Miller. Après quelques minutes de conversation, il finit par me dire qu'il ne considérerait pas comme réservée aux services médicaux et hospitaliers aucune somme particulière versée pour le financement des programmes établis. Je lui ai dit: «Où est la difficulté?» Et j'ai fini par lui dire: «En somme, ce que vous me dites, c'est que vous déplorez qu'il existe un programme d'assurance-maladie.» Et il a répondu: «Oui, oui, vous avez raison.»

C'est ce que j'affirme: il y a plus d'un gouvernement qui déplore l'existence d'un programme d'assurance-maladie. Puisqu'elle déclare qu'elle accepte l'assurance-maladie, l'Association médicale doit prendre bien garde d'agir de manière à mettre en danger la survie du régime dans le pays. Je sais que vous vous dites les quémandeurs, mais, pour ma part, j'ai une prière à vous adresser, puisque vous possédez un certain pouvoir d'exiger un supplément et de faire d'autres choses. Je vous supplie, tant que le régime ne sera pas entré dans les mœurs, de ne pas agir de manière à créer l'impression que l'assurance-maladie est en voie de disparition. Cela exigera peut-être des sacrifices financiers de votre part, mais ces sacrifices, vous devez y consentir afin de maintenir en fonctionnement le régime jusqu'au jour où les gouvernements, poussés par une opinion publique que vous aurez aidé à créer, manifesteront la volonté de financer comme il faut le régime.



[Text]

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**Dr. D. L. Wilson:** Well, I just have one comment, sir. I assume that you are alluding in your remarks about principles to the principle of direct patient payment to physicians. You may, sir, argue that this runs counter to the principles of medicare, but it was, in fact, a principle incorporated into most provincial programs right from the start and I would argue vigorously that it has been an element of direct patient participation that has made medicare work up to the present time. Without it, we would have been in great trouble.

**Dr. Blaikie:** It was a compromise at the end of a hellishly long and difficult strike; that is what it was.

**Dr. D. L. Wilson:** Is there something irrational about a compromise?

**Dr. Blaikie:** No, but let us not pretend it was something that everyone said he was wild about.

**Dr. Baltzan:** But it is a principle that has been operative in that length of time. To suggest that you are going to go back and remove this principle means that you are suggesting that the government of your party renege on an agreement.

**Dr. Blaikie:** Well, agreements change from time to time, you know.

**Dr. Baltzan:** Unilaterally, sir?

**Dr. Blaikie:** I did not say anything about unilaterally.

**Dr. Baltzan:** You speak that way.

**Le président:** Docteur Laporte s'il vous plaît.

**Dr Laporte:** Monsieur le président, je veux dire qu'au Québec nous n'avons pas de tickets modérateurs. Les médecins ne font pas la balance, le billing, c'est-à-dire qu'ils ne chargent rien à leurs patients, mais il demeure très important que les patients apportent jusqu'à un certain degré de l'argent au secteur public... Voyez-vous, les médecins ont dû faire la grève à Chicoutimi parce qu'ils n'avaient pas d'appareils radiologiques, ce que l'on appelle les «tomographes axiaux». Chicoutimi, c'est un centre un peu isolé dans la province de Québec. Ils n'avaient pas de scanners, ce que l'on appelle des «tomographes axiaux»; et ils voulaient en avoir, comme à Montréal et à Québec. Or, tous les tomographes axiaux, à Montréal, ont été payés par une compagnie de cigarettes que vous connaissez: MacDonald. Chez-nous les médecins n'exigent pas de balance, de billing, mais on compte bien que le secteur privé investisse pour obtenir de meilleurs soins. Et quant on dit que la moitié des vieillards que nous recevons dans nos urgences... Chez-nous nous avons un hôpital de 1,000 lits, et je vous dis monsieur le président, que la moitié des vieillards qui se présentent ne sont pas des cas d'urgence médicale, ce sont des cas d'urgence sociale. Les vieillards sont tellement démunis à cause de l'inflation qu'ils ne peuvent pas se payer les services de gardes. Et si vous voulez des exemples précis, j'ai justement celui de ma belle-mère qui est autonome à 92 ans. Mon beau-père qui travaillait pour le gouvernement fédéral a ramassé \$250,000; c'est un exemple précis. Il est mort à 84 ans. Et ma belle-mère ne pouvant rester seule, doit utiliser trois personnes qui défendent des services sociaux, parce qu'elle leur donne \$25 par chiffre de 8 heures. Elle a même

[Translation]

**Dr D. L. Wilson:** Un mot seulement là-dessus, monsieur. Dans vos remarques sur les principes, je suppose que vous faites allusion au principe du paiement direct au médecin par le malade. Cette règle, dites-vous, va à l'encontre des principes de l'assurance-maladie. Or cette règle fait partie intégrante de la plupart des programmes provinciaux, et cela depuis le début. J'irais même jusqu'à dire que c'est justement ce principe de la participation directe du malade qui a permis jusqu'ici au régime de fonctionner. Sans lui, cela n'aurait pas été drôle.

**Dr Blaikie:** C'était un compromis accepté à la fin d'une grève terriblement longue et difficile. Voilà ce que c'était.

**Dr D. L. Wilson:** Y a-t-il quelque chose de mal dans un compromis?

**M. Blaikie:** Non, mais n'allons pas faire croire que tout le monde en était fou.

**Dr Baltzan:** Néanmoins, c'est une règle qui a bien fonctionné depuis. En laissant entendre que vous allez vous raviser et supprimer cette règle, vous laissez entendre que le gouvernement de votre parti va manquer à sa parole.

**Dr Blaikie:** Les conventions subissent des changements de temps à autre, vous le savez.

**Dr Baltzan:** Unilatéralement, monsieur?

**M. Blaikie:** Je n'ai pas dit unilatéralement.

**Dr Baltzan:** Vous l'avez laissé entendre.

**The Chairman:** Dr. Laporte.

**Dr. Laporte:** Mr. Chairman, I must say that in Quebec there is no deterrent fee. No billing is done by the physician; no direct payment by the patient. Nevertheless, it is important that the patients, in some way, bring some money into the public sector. Doctors in Chicoutimi went on strike because they had no radiological instruments at their disposal, what is called axial tomographs. Chicoutimi is an isolated centre in the province and the hospital there lacked such scanners as are to be found in Montreal and Quebec hospitals. Well, those in Montreal were paid by a cigarette company that you know, Macdonald. It is true that no billing is being done by the physicians in the province, but it is expected that the private sector will invest in health care. Mr. Chairman, where I come from, there is a 1000 bed hospital. Half of the aged persons coming into the emergency ward are not really medical emergency cases. They are rather social emergency cases. Most are too poor to provide themselves with nursing services, because of inflation. Here are examples of this. I will take the case of my mother-in-law who at 92 years old is still autonomous. Her husband, who had worked for the federal government, left her \$250,000 when he died at the age of 84. My mother-in-law cannot live alone in her house. She has to hire three persons from the social services and she pays them \$25 for a 8 hour shift. She hired a fourth person to be sure that someone is always there. That is a lot of money, Mr. Chairman, \$35,000 per year to be able to live in one's own house. Political changes will have to be made. Are workers available? They should be in Quebec where 7 p. 100 of the population are on public assistance. That is they are crammed with money taken from

*[Texte]*

engagé une quatrième personne pour faire en sorte qu'une de ces trois personnes soit présente par 8 heures... Cela coûte combien monsieur le président? \$35,000 par année! \$35,000 par année pour être autonome, dans sa propre maison! Il faut nécessairement revoir la politique. Est-ce qu'on peut avoir de la main-d'œuvre? Il y a de la main-d'œuvre disponible au Québec. 7 p. 100 de la population défend des services sociaux, c'est-à-dire qu'on les gave avec l'argent des payeurs de taxes, autant ceux du Canada que ceux de la province de Québec. Sept p. 100 reçoivent des prestations du service social; d'un autre côté, plus de 7 p. 100 de la population n'ont pas les services de main-d'œuvre minimales que cela demande, c'est-à-dire des personnes pour s'occuper d'autres personnes à leur domicile. Les personnes âgées non plus ne peuvent pas faire appel aux centres d'accueil. Nous pourrions avoir beaucoup plus de centres d'accueil privés et ces centres d'accueil privés pourraient coûter de \$500 à 1,000 dollars par mois, mais nos personnes âgées n'ont pas accès à cela parce qu'elles sont ruinées. Quand vous avez 84 ans, même si vous êtes lucide et que vous êtes capable de conduire votre auto, vous avez besoin de services minimales et c'est impossible pour ces personnes de se les procurer. Je sais que le gouvernement fédéral fournit ce qu'on appelle les pensions de vieillesse, mais c'est humiliant un peu d'être réduit à une pension de vieillesse, à un genre de mendicité. Il faudrait qu'on envisage pour les personnes âgées une politique globale qui ferait qu'elles pourraient s'approvisionner à des services disponibles.

• 1235

En d'autres termes, il faut que le secteur privé se renforce même et que les gens aient l'honneur ou le plaisir de participer à ce qui est le plus important, la santé. Quand on a quelque chose gratuitement, comme je le disais ce matin, lorsque les souliers sont gratuits, on a l'impression qu'ils ne sont pas confortables.

J'ai l'impression qu'il faut faire un travail immense pour essayer de refréner un peu la machine qui coûte énormément cher et que, vous le sentez bien, nous ne pouvons même plus alimenter. Nous allons demander au secteur privé d'investir davantage.

On ne sait même plus ce que cela coûte lorsqu'on va voir un médecin. Demandez à quiconque! Personne ne sait combien a coûté sa visite chez le médecin. Est-ce que c'est 20 dollars, est-ce que c'est 15 dollars? Une accouchement, cela coûte 100 dollars. Le saviez-vous? Cela coûte 100 dollars et à New York, cela coûte 1,000 dollars. Cela veut dire que l'écart devient tellement important que les gens de ma province veulent sauter dans l'État de New York.

Il faut quand même regarder cela froidement. Nous, au Québec, on a voulu participer. On aime beaucoup notre plan d'assurance-santé et on veut même le perfectionner. Mais pour le perfectionner, ou bien vous nous fournissez plus d'argent... Nous ne demandons pas au gouvernement fédéral de s'impliquer dans la santé et dans l'éducation, non. Nous savons que le gouvernement fédéral, tout de même, peut dépenser de l'argent dans tel ou tel programme général. On sait que le gouvernement fédéral s'est impliqué dans beaucoup de choses, dans

*[Traduction]*

taxpayers in Canada as well as in the province of Quebec. Seven per cent receive welfare payments; on the other hand, over 7 per cent of the population do not have the minimal manpower services required, namely persons to care for other persons in their home. Also, senior citizens cannot call on care centers. We could have many more private care centers which could cost between \$500 and \$1,000 per month, but our senior citizens do not have access to such institutions because they have become poor. When you are 84, even if you have all your faculties and are able to drive your car, you need some minimal services and it has become impossible for those people to purchase such services. I know that the federal government pays what is called old age pension, but it is rather humiliating to be reduced to an old age pension, to some kind of mendicity. Some comprehensive policy is needed for our senior citizens so that they can have access to available services.

In other words, the private sector must be reinforced and the people must have the honor or the pleasure to participate in what is the most important, health. When you get something at no cost, as I was saying this morning, when shoes are free, you have the impression that they are not comfortable.

I think that a huge effort is needed to try to slow down the machinery which is extremely expensive and which, as you very well feel, we cannot feed any longer. We must ask the private sector to invest more.

We do not even know what it costs now to see a doctor. Ask around you. No one knows the cost of a visit to his doctor. Is it \$20 or \$15? The cost of a child birth is now \$100. Did you know that? It costs \$100 and in New York, it is \$1,000. The difference is becoming so large that people in my province wish to settle in the state of New York.

The matter must be considered coolly. We, in Quebec, we have been prepared to participate, we appreciate very much our health insurance plan and we even want to improve it. But in order to improve it, you must give us more money. We are not asking the federal government to interfere in the field of health and education. But we know that the federal government can spend money on such or such general program. We know that the federal government got involved in many things such as unemployment insurance, for instance, and that was



## [Text]

l'assurance-chômage, par exemple; cela, on le lui a concédé. On voudrait qu'il réussisse ce qu'il a entrepris. Il s'est impliqué dans les pensions de vieillesse; en bien, qu'il donne autre chose aujourd'hui, parce que c'est lui qui est peut-être responsable de l'inflation de ce pays, qui a enlevé l'argent à ces pauvres vieillards qui actuellement sont réduits à la mendicité et à se présenter dans une salle d'urgence, monsieur le président.

Nous comptons beaucoup sur vous, monsieur le président, et sur ce Comité pour découvrir de nouvelles politiques. Il y a ceux qui demandent du *balanced billing*. C'est tellement peu important qu'on n'a même pas voulu les avoir, ces 2 dollars puisqu'il nous en coûte \$2 pour les percevoir, nous, les omnipraticiens. On va vous demander 2 dollars de plus ou de *balanced billing* et il va n'en coûter \$2.50 pour les percevoir. Moi, je trouve que cela n'a pas d'importance et on ne parle de rien assis ici en ce moment. Moi, j'ai préféré, dans le temps, ne pas accepter ces 2 dollars parce qu'il m'en coûtait 3 dollars pour les percevoir de mes patients. Ensuite, ce n'était pas gentil pour un médecin de demander 2 dollars parce qu'il a vu son patient. Moi, j'ai préféré autre chose. On a échangé cela pour autre chose et on est heureux. J'aimerais qu'on change maintenant de sujet, car ce *balanced billing* is not so important as you believe.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Thank you, Mr. Chairman. I would like to join my colleagues in congratulating the Medical Association today on their presentation. I agree that the slides show was very informative.

• 1240

I think most of us have to continue to realize that we are not just dealing with dollars and cents in all these programs when we hear the universities, the social welfare people and everybody else: we are dealing with actual human beings in all their aspects. I think we have to be reminded of that as frequently as possible.

I am very pleased to see my old friend Dr. Baltzen from Saskatoon, whom I had the privilege of debating with in Edmonton last fall when I was Parliamentary Secretary to the Minister of National Health and Welfare, and I would like to congratulate the president on the idea of having individual practitioners from around the country come before us. I agree with Mr. Blaikie that it is an excellent idea to bring forward, not just to the individual members, but to the country as a whole, the particular problems. We have heard the problems in my area, in the growing suburbs of Scarborough and at the other end of town in Mississauga in the Toronto area—just what the actual problems are with the waiting in line to get into emergency wards, the closing of the emergencies to ambulances, the things we read about in the papers occasionally, but do not, I think, pay too much attention to unless one of our own friends or relatives is directly involved. We have heard about rationing of health care by queue and we have heard about the availability of beds, not the medical condition of the patients, being the most important criterion too often of who gets admitted and who does not get admitted. I think we had

## [Translation]

conceded. We want the government to succeed in what has been undertaken. It interfered in old age pensions. Well, we want that government to give something else today because it is perhaps responsible, in this country, for the inflation that took the money away from those poor old people who are now reduced to mendicity and who must go to emergency services, Mr. Chairman.

We are depending very much on you, Mr. Chairman, and on this committee to initiate new policies. There are some who are asking for balance billing. It is so unimportant that we did not even want those \$2, because it would cost us, general practitioners, \$2 to collect them. We are going to charge \$2 more or a balance billing and it would cost me \$2.50 to collect the amount. I think that has no importance and we are discussing nothing much sitting here at this time. I, for one, preferred to turn down those \$2 because it would cost me \$3 to collect them from my patients. Also, it was not nice for a doctor to charge \$2 because he had seen a patient. I preferred something else. That was traded for something else and we are happy about it. I would now like to turn to another subject, because that . . . ce ticket modérateur n'est pas aussi important qu'on le croit.

**Le président:** Monsieur Weatherhead.

**M. Weatherhead:** Merci, monsieur le président. J'aimerais me joindre à mes collègues pour féliciter l'Association médicale au sujet de sa présentation audiovisuelle que j'ai trouvée très instructive.

Nous devons, pour la plupart, continuer à bien comprendre que nous ne parlons pas seulement de dollars et de cents, quand nous discutons de ces programmes et que nous entendons les universités, les gens du service social et tous les autres. Nous parlons ici d'êtres humains et de tous leurs problèmes. Cela doit nous être rappelé aussi souvent que possible.

Je suis très heureux de voir mon vieil ami, le docteur Baltzen de Saskatoon, avec qui j'ai eu le privilège de discuter à Edmonton, l'automne dernier, quand j'étais secrétaire parlementaire du ministre de la Santé nationale et du Bien-être social. J'aimerais aussi féliciter le président au sujet de cette idée d'inviter des omnipraticiens de tout le pays à venir nous rencontrer. Avec M. Blaikie, je reconnais que c'est une excellente idée de les amener à présenter leurs problèmes particuliers, non seulement à des députés, mais à tout le pays. Nous avons entendu parler de problèmes dans ma région, dans les jeunes banlieues de Scarborough et à l'autre bout de la ville, à Mississauga et dans la région de Toronto. Nous avons entendu parler des problèmes des longues files d'attente dans les salles d'urgence, l'accès aux salles d'urgence refusé à des ambulances, et autres choses semblables que nous lisons dans les journaux sans toutefois y prêter trop d'attention jusqu'au jour où l'un de nos parent ou ami devient lui-même la victime. Nous avons entendu parler de la disponibilité de lits d'hôpitaux et nous avons entendu dire que parfois, la décision d'admettre ou non une personne est prise en fonction de son rang dans une

*[Texte]*

to be reminded of this today, and I think the presentation is very valuable.

Many of the matters have already been discussed at some length by my colleagues who have spoken earlier; but let us go back to recommendation 3, where you talk about increased federal government payments being necessary up to that 8.2 per cent of GNP but also being conditional on appropriate increases in health expenditures by the provinces. It has been referred to a couple of times earlier today, but I cannot recall getting very much specific in reply as to what you are proposing as far as those conditional payments are concerned. Are you proposing going back to the shared cost programs per se, or just what are you suggesting?

Mr. Herbert said earlier, I think, that you should not be shy in recommending just how you think these things should go and not just say that these are health things and that those are political things and never the twain shall meet. You are the experts; you know the problems: How would you like to see increased federal moneys tied to particular provincial increases themselves?

**Dr. Thomas:** Well, sir, I think, as Mr. Geekie has suggested, one of the problems is that federal moneys in recent years have not been specifically earmarked. In the original days the federal funds were program specific; in the latter years they have not been so: the provinces have received the moneys and have been able to spend them where they saw fit—not always on health care.

If federal funding was contingent upon provincial expenditures being at least health care specific, I think that would go part of the way toward relieving the problem. However, we must also have a redistribution of the amounts of money coming from those provinces that are capable of generating greater tax income. We must find a way and I think the practicalities of getting money from the have provinces in support of the have-not provinces is basically a political problem. I am sure that everybody is sympathetic to the idea. The mechanics of it, sir, I think are beyond the capabilities of this delegation to outline for you.

**The Chairman:** I would like to remind members that this meeting has been very long and I am trying to cover the three members who remain. I will not even ask any questions—you see how nice I am?—but I would like to break this up at 12:55 p.m.

• 1245

**Mr. Weatherhead:** Thank you, Mr. Chairman. I am half an hour late for another meeting myself at the present time.

This is a very important delegation and we all recognize that. I may say, with respect to your recommendation No. 4, increased funding for the less affluent provinces, that I am very sympathetic to that. We have a chairman from New Brunswick, and I am sure he will keep calling it to our attention—even if he is not going to ask any questions today.

*[Traduction]*

file d'attente et non en raison de son état de santé, ce qui serait pourtant le plus important. Il fallait que cela nous soit rappelé aujourd'hui et je crois que la présentation était très bien faite.

Ceux qui m'ont précédé dans le débat ont déjà couvert une bonne partie des questions à discuter, mais revenons, si vous le voulez bien, à la recommandation 3, où il est question de la nécessité d'augmenter les paiements du gouvernement fédéral jusqu'à 8.2 p. cent du PNB, mais à la condition que les provinces accordent aussi des augmentations appropriées dans leurs dépenses pour les soins de santé. On en a parlé deux ou trois fois aujourd'hui, mais je ne crois pas avoir entendu une réponse très précise quant à ce que vous proposez comme paiement conditionnel. Proposez-vous un retour au programme à frais partagés ou autre chose?

M. Herbert vous a dit aujourd'hui de ne pas hésiter à recommander comment ces choses doivent se faire sans essayer d'établir une distinction nette et un mur infranchissable entre ce qui constitue des questions de santé et des questions de politique. Vous êtes les spécialistes et vous connaissez les problèmes. Comment pensez-vous qu'une augmentation des dépenses fédérales devrait être conditionnée par une augmentation des dépenses provinciales?

**Dr Thomas:** Ainsi que l'a dit M. Geekie, l'un des problèmes, c'est que les fonds fédéraux, depuis quelques années, ne sont pas versés à des programmes en particulier. Au début, les fonds fédéraux étaient versés pour certains programmes particuliers, mais ce n'est plus le cas depuis quelques années. Les provinces ont reçu les fonds et ont été libres de les dépenser comme elles l'entendaient, pas toujours pour des soins de santé.

Si les fonds fédéraux étaient versés à la condition que les dépenses provinciales soient faites pour des soins de santé, ce serait un moyen de résoudre le problème en partie. Toutefois, nous devons aussi avoir une redistribution des sommes provenant des provinces capables de produire des revenus fiscaux plus considérables. Nous devons trouver le moyen de redistribuer parmi les provinces pauvres les sommes provenant des provinces riches et cela est au fond un problème politique. Je crois que tout le monde est en faveur de cette idée, mais il n'appartient pas à notre délégation de dire comment on devrait procéder.

**Le président:** J'aimerais rappeler au député que notre séance a été très longue et que j'essaie de donner la parole aux trois députés qui n'ont pas encore parlé. Je ne poserai même pas de question, ce qui vous prouve combien je suis gentil. Mais j'aimerais que la séance prenne fin à 12 h 55.

**M. Weatherhead:** Merci, monsieur le président. Je suis déjà en retard d'une demi-heure à une autre réunion.

Nous reconstruis ici une très importante délégation et nous en sommes tous conscients. Je dois dire, en ce qui a trait à votre recommandation numéro 4, le financement accru pour les provinces moins riches, que je suis très sympathique à cette idée. Nous avons un président du Nouveau-Brunswick et je



[Text]

**The Chairman:** I have everything I need from those guys.

**Dr. Blaikie:** He already fitted it in that he was from New Brunswick.

**Mr. Weatherhead:** Going on to your last, your fifth recommendation, I share a lot of Mr. Blaikie's concerns with respect to Mr. Justice Hall's report—which has hardly been mentioned here this morning, just in passing a few times—and with private funding in general.

To start off, I am quite sympathetic with your table 8, on page 26, with respect to the fact that doctors' incomes have not been rising as quickly in the first part of the seventies, and I presume during all of the seventies, as you say have those of lawyers, dentists and accountants. As a lawyer myself, I was not aware that my income was going up that quickly, but perhaps, as whole, they were.

**The Chairman:** That is because you entered Parliament, Mr. Weatherhead.

**Mr. Weatherhead:** For a chairman who does not ask any questions, he still gets on the record quite a lot.

I do share concerns similar to those of Mr. Blaikie in the whole patient participation type of wording. He did not go on to mention the type of wording called "hotel costs". I know what that means, but it seems to me that that is a little—what will I say—"inflammatory" may not be quite the right word. There is some sort of wording there, in "hotel costs" of hospital care, that suggests that people, no matter how sick they are when they go in, conscious or unconscious, are getting their bed and their food, and are in a kind of hotel situation. Mr. Blaikie, in his examination, did not go into the proposed increased private costs, the so-called hotel costs of hospitalization. None of us had enough time to question it, I am sure you appreciate that. I just wonder if that is not a thin edge of the wedge in starting to charge people for their basic hospital care, that is to say, part of it is hotel costs, part of it is medical costs, and you will start paying more and more of the hotel cost type of thing.

**Dr. Thomas:** Sir, I have been a practising physician faced with the day-to-day problem of how to get patients who, in my judgment, no longer require acute hospital care beds out of hospital. I submit to you, sir, that if those patients were required to pay a portion of their hospital costs, which they would be paying anyway if they were at home buying groceries and paying for the heat and light, they might, in many ways, be more inclined to be discharged on the direction of their physician. Patients, as we all know, find a multitude of reasons for staying in hospital and, at least in my province, there is very little pressure from the administration, or otherwise, to have them move out. If you extend the care of a hospital patient even one day, it adds, over time, considerably to the

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suis certain qu'il nous le rappellera sans cesse, même s'il s'engage à ne poser aucune question aujourd'hui.

**Le président:** J'ai tout ce que j'aurais besoin de savoir de ces collègues.

**Dr Blaikie:** Il a déjà trouvé le moyen de faire savoir qu'il était du Nouveau-Brunswick.

**M. Weatherhead:** Passant à votre cinquième et dernière recommandation, je partage les préoccupations exprimées par M. Blaikie au sujet du rapport du juge Hall—dont on a à peine fait mention ici ce matin, juste en passant—et au sujet du financement privé en général.

Disons tout d'abord que je trouve très intéressant votre tableau de la page 26 où l'on voit que les revenus des médecins n'ont pas augmenté aussi rapidement, pendant le début des années 70, et je suppose durant toutes les années 70, que, comme vous le dites ici, les revenus des avocats, des dentistes et des comptables. A titre d'avocat, je ne savais pas que mon revenu avait monté aussi rapidement, mais c'est peut-être vrai dans l'ensemble.

**Le président:** C'est parce que vous avez été élu au Parlement, monsieur Weatherhead.

**M. Weatherhead:** Pour un président qui ne pose pas de question, il trouve le moyen de se faire entendre.

Je partage les inquiétudes formulées par M. Blaikie au sujet du vocabulaire utilisé dans le domaine de la participation des malades. Il n'a pas mentionné en particulier une expression comme celle des frais de logement. Je sais ce que cela signifie, mais ce serait peut-être, comment dire, «inflammatoire» ne serait peut-être pas le mot juste. Cette expression frais de logement, en parlant de soins hospitaliers, semble laisser entendre que les gens, même s'ils sont bien malades, qu'ils soient conscients ou inconscients, sont nourris et logés et qu'ils se trouvent un peu comme dans un hôtel. Dans son examen, M. Blaikie n'a pas parlé de l'augmentation proposée dans des coûts privés, de ce qu'on appelle les frais de logement dans l'hospitalisation. On comprendra que personne, parmi nous, n'a eu le temps de soulever la question. Je me demande si ce n'est pas entrer un peu trop dans les détails quand on commence à facturer les gens, d'un côté pour les soins hospitaliers, et d'un autre côté pour les frais de logement, dont une partie comprend des frais médicaux. Commencera-t-on à payer de plus en plus de frais de logement?

**Dr Thomas:** A titre de médecin en exercice, je suis constamment aux prises avec le problème de savoir comment faire sortir de l'hôpital des clients qui, à mon avis, n'ont plus besoin de soins hospitaliers. Permettez-moi de vous dire que si ces gens devaient payer une partie de leur hospitalisation, frais qu'ils paieraient de toute façon s'ils étaient chez eux et s'ils devaient acheter l'épicerie et payer le chauffage et l'électricité, ils seraient peut-être plus enclins à accepter de partir quand le médecin le leur recommande. Les clients, tout le monde le sait, trouvent toujours une foule de raisons pour demeurer à l'hôpital et, du moins dans ma province, l'administration exerce très peu de pression pour les faire sortir. Si l'on prolonge le séjour à l'hôpital d'un seul jour par client, cela ajoute considérable-

## [Texte]

cost of care and to the problem of the jamming up of our acute care hospitals.

**Mr. Weatherhead:** There is just one more point, Mr. Chairman, if I might be permitted a bit of time. Mr. Chairman, Mr. Justice Hall, to my recollection, recommended and advocated, that the doctors should get a fair and reasonable compensation, presumably more than they are getting at the present time. He also said, as has been mentioned, that a continuation of extra billing would create a two-tier system that might well destroy medicare in the long run. What I do not understand, Mr. Chairman, is why the medical profession apparently was against Mr. Justice Hall's recommendation that this increased compensation to the doctors be effected by a fair and impartial arbitrary system. I wonder if we could just talk about that for a minute.

• 1250

**Dr. D. L. Wilson:** Mr. Chairman, these are just words. Where has there been a fair and impartial arbitrary system set up? Remember that Mr. Hall twinned the idea of abandoning direct billing of patients with the idea of independent arbitration, which would make a recommendation binding on both government and the medical profession. Now, we simply do not believe governments are going to accept that kind of arrangement, indeed the noises that I have heard since the Hall report was published were from those who simply wanted to abolish direct patient participation, period.

**Mr. Weatherhead:** It may well be that the provinces, or some of them, will not agree, but the fact is that you are not agreeing either, is that not the case?

**Dr. D. L. Wilson:** We do not believe it will work.

**Mr. Blaikie:** Do you agree?

**Dr. Baltzan:** Mr. Chairman, not only do we not agree that it will work, but what the profession senses is that you are bringing in an entirely different relationship between the health department officials and the medical profession when you are talking about arbitration, et cetera. We do not want to be in a position of forever arguing with the people involved as to the dollars and cents—you do enough of it. I think if you accepted Mr. Hall's proposals you would find a greater degree of antagonism building up between the profession and the provincial governments with which they have to deal.

As to Mr. Hall's conclusion, I think I could argue equally well that eliminating direct billing, balance billing, may well bring about a two-tier system more quickly in Canada than anything else will.

**The Chairman:** Mr. Thacker.

**Mr. Thacker:** Mr. Chairman, I will, of necessity, keep my questions very short. I regret that I did not have enough time to develop two or three themes with Dr. Thomas and his colleagues. I join in thanking them for coming and taking time out of their lives.

Mr. Chairman, I think the conclusion is absolutely correct in the case of health care, it is exactly the same as with post

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ment, dans l'ensemble, au coût des soins et aggrave le problème de la congestion de nos centres hospitaliers.

**M. Weatherhead:** J'aurais juste une autre question, monsieur le président, si on me donne quelques instants. Si je me souviens bien, le juge a recommandé et proposé que les médecins obtiennent une compensation juste et raisonnable, peut-être supérieure à celle qu'ils reçoivent aujourd'hui. Il a dit également, comme on l'a mentionné, qu'une perpétuation du ticket modérateur pourrait créer un régime double qui pourrait bien à la longue détruire notre régime d'assurance-santé. Ce que je ne comprends pas, monsieur le président, c'est pourquoi la profession médicale s'est apparemment opposée à cette recommandation du juge Hall voulant que cette compensation accrue pour les docteurs se fasse au moyen d'un régime arbitraire juste et impartial. Pourrait-on parler de cette question pendant quelques instants?

**Dr D. L. Wilson:** Monsieur le président, ce ne sont pas des mots. Où avez-vous vu un régime arbitraire juste et impartial? N'oublions pas que le juge Hall avait associé l'idée d'abandonner la facturation directe au client avec l'idée d'un arbitrage indépendant qui présenterait une recommandation exécutoire tant pour le gouvernement que pour la profession médicale. Nous n'arrivons pas à croire que les gouvernements pourraient accepter cette formule et tout ce que nous entendons depuis la publication du rapport Hall nous vient de ceux qui voulaient tout simplement abolir la participation directe des malades.

**M. Weatherhead:** Il se peut que les provinces, ou certaines d'entre elles ne soient pas d'accord, mais le fait est que vous n'êtes pas d'accord vous non plus, n'est-ce pas?

**Dr D. L. Wilson:** Nous ne croyons pas que la formule pourrait s'appliquer.

**M. Blaikie:** Êtes-vous d'accord?

**Dr Baltzan:** Monsieur le président, non seulement nous ne sommes pas d'accord que la formule pourrait marcher, mais ce que la profession pense, c'est qu'on essaie de mettre en place une relation entièrement différente entre les fonctionnaires du ministère de la Santé et les membres de la profession médicale quand on parle d'arbitrage, et le reste. Nous ne voulons pas être dans l'obligation de toujours discuter avec les intéressés chaque fois qu'il est question d'argent, il y en a déjà assez. Si l'on acceptait les propositions du juge Hall, on verrait se créer un antagonisme encore plus grand entre les médecins et les gouvernements provinciaux.

Pour ce qui est de la conclusion du juge Hall, je pourrais tout aussi bien affirmer que l'élimination de la facturation directe ou du ticket modérateur pourrait, plus que tout autre chose, introduire au Canada un régime double.

**Le président:** Monsieur Thacker.

**M. Thacker:** Je me vois obligé, monsieur le président, de m'en tenir à des questions très courtes. Je regrette de n'avoir pas eu le temps de développer deux ou trois thèmes avec le docteur Thomas et ses collègues. Je voudrais, moi aussi, les remercier d'avoir pris le temps de venir nous rencontrer.

A mon avis, la conclusion est absolument correcte dans le cas des services de santé, comme elle l'est aussi en éducation



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secondary education, Canadians are getting a very good service and there is no more fat in the system. If there was once fat in the system there certainly is no more fat there today, and we are going to be looking at real cuts in real health care if we do not pay. It seems to me that we are getting Cadillac service for Honda prices, and that is the reality that we, as Canadians, have to face.

My question to you is this: To increase the amount of money that goes into health care we can be increasing the general tax level of the country, we can be looking at tax expenditures. Those are decisions that we have to make as paid politicians, that is what we are here for. To what extent, though, within the hospital system itself, is overuse occurring—by those of us who are otherwise healthy but we get a cold and we go and see our doctor, we go to the hospital, and we might go back two or three times when maybe we should not be going back. Can you give me, and the task force, some idea as to the degree of overuse there is? It is not an abuse I am talking about, just unthinking overuse. To what extent is that happening? Can that play a part in cutting down the health costs? And how would that control be brought about?

**Dr. Thomas:** It is probably negligible, but Dr. Wilson has some ideas.

**Dr. D. L. Wilson:** I think the answer is that it is very small. There is some—patients are human, institutions are human, and there will always be the patient who wants one more opinion about her failing eyesight when really nothing can be done. But I do not think this is a significant factor. I do not believe abuse by patients has been the problem that some people predicted it might be. Most doctors did not predict that it would be, and it has not been. I think these are controllable where they do occur.

**Mr. Thacker:** Thank you, Mr. Chairman.

• 1255

**Dr. Baltzan:** Mr. Chairman, I think certainly there can be no over-use in most places in the hospitals in Canada, because you cannot get in for the use you need; the control is there.

The interesting thing is that you can measure the use by measuring the amount of medical services per capita. I think we can demonstrate that there is no significant over-use by the fact that in the United States, where they have a much less comprehensive health insurance system, actually the average American sees his doctor more often than the average Canadian who, in fact, has a comprehensive health care system.

**Mr. Thacker:** So it is your evidence then that, as a task force, we should not be directing any of our time or effort towards that as one of the potential solutions. Thank you, Mr. Chairman.

**Dr. E.V. Rafuse (Chairman of the Board, Canadian Medical Association):** Mr. Chairman, just briefly in relation to what Mr. Thacker has asked, I believe we should think in terms of day care services which are now becoming more popular and used in the hospital milieu, and home care

[Translation]

postsecondaire: Les Canadiens reçoivent un très bon service et il n'y a plus de poids morts dans le système. S'il y en a eu dans le passé, il n'en reste certes plus et nous serons témoins d'une véritable diminution des services de santé si nous ne payons pas. Nous obtenons maintenant le service d'une Cadillac au prix d'un Honda et c'est la réalité que nous, Canadiens, devons envisager.

Voici ma question. Augmenter les fonds consacrés aux soins de santé pourrait bien faire augmenter le taux général de l'impôt au pays, et, par conséquent, faire augmenter les dépenses fiscales. Ce sont là les décisions que nous devons prendre en tant que politiciens rémunérés. C'est pour cela que nous sommes ici. Dans quelle mesure cependant y a-t-il surutilisation, dans notre régime hospitalier, par ceux d'entre nous qui sont en bonne santé mais qui, dès qu'ils attrapent un rhume, se rendent chez le médecin, même à l'hôpital et y retournent deux ou trois fois alors qu'ils ne devraient pas y retourner. Pouvez-vous me donner, à moi et aux membres du Comité, une idée du degré de surutilisation qui existe. Je ne parle pas tout à fait d'abus, mais plutôt de surutilisation. Dans quelle mesure y en a-t-il? Cela peut-il contribuer à faire baisser le prix des soins de santé? Et comment réaliser ce contrôle?

**Dr. Thomas:** C'est probablement minime, mais le docteur Wilson a des idées à ce sujet.

**Dr. D. L. Wilson:** La réponse, c'est que c'est très minime. Il y a certains abus. Les malades sont humains, les institutions sont humaines et il y aura toujours tel ou tel patient qui voudra une opinion de plus au sujet de la perte graduelle de sa vision, alors qu'il n'y a rien à faire. Mais je ne crois pas que ce soit un facteur significatif. L'abus par les malades n'a pas été le problème que certains avaient prédit. La plupart des docteurs ne l'avait pas prédit et cela ne s'est pas réalisé. Ces abus sont vérifiables quand ils se produisent.

**M. Thacker:** Merci, monsieur le président.

**Dr. Baltzan:** Monsieur le président, il ne peut y avoir de surutilisation dans la plupart des hôpitaux du Canada, parce qu'on ne peut tout simplement pas y entrer pour recevoir les services dont on a besoin. C'est un moyen de contrôle.

Ce qui est intéressant, c'est que l'on peut mesurer l'utilisation en mesurant le montant de services médicaux par personne. Nous pouvons démontrer qu'il n'y a pas surutilisation importante par le fait qu'aux États-Unis, où le régime d'assurance-santé est beaucoup moins général, l'Américain moyen voit son médecin plus souvent que le Canadien moyen qui pourtant, dispose d'un régime de santé très complet.

**M. Thacker:** A votre avis, par conséquent, le comité ne devrait pas consacrer de temps et d'efforts à cet aspect de la question comme l'une des solutions possibles. Merci, monsieur le président.

**Dr. E.V. Rafuse (Président du Conseil, Association médicale canadienne):** Monsieur le président, juste quelques mots au sujet de la question de M. Thacker. Nous devrions, à mon avis, songer à des services de jour qui se répandent dans les milieux hospitaliers et aux services de soins à domicile qui

**[Texte]**

services are I think in part going to be the answer to some of the problems that Mr. Thacker raises.

**M. Loiselle:** Brièvement, monsieur le président, si on devait passer de 7.1 à 8.2 du produit national brut, cela ferait plusieurs centaines de millions, sinon des milliards de dollars, à aller chercher dans les poches des contribuables en utilisant l'extra billing. Est-ce que vous vous êtes penché sur la question de déterminera, pour une famille de quatre, c'est-à-dire avec deux enfants, quel serait est le salaire minimum? Un gars qui arrive, qui a deux enfants et qui gagne \$12,000 par année, est-ce qu'un médecin a le goût d'aller lui charger quelque chose de plus, en plus? Quel est le salaire minimum? Quel est le pourcentage de la clientèle canadienne qui, selon vous, peut s'offrir l'extra billing ou, inversement, quel est le pourcentage de la population qui peut payer? On est 23 millions de Canadiens. C'est quoi le potentiel que vous pouvez utiliser pour aller chercher la différence entre 7.1 et 8.2?

**Dr. Thomas:** Well, sir, I would not be able even to hazard a guess. About all I can say is that certainly, if your hypothetical family obviously were not in a position to pay a portion of their own health care costs, of course this would not be applied to the family, as is traditional in the care of patients by the medical profession for years and years in the past.

**Dr. Baltzan:** Mr. Chairman, I think there may have been a misunderstanding. We were not proposing that the increase from 7.1 per cent to 8.2 per cent come out of patient payment. We were proposing that the whole funding in the system be increased to that level. In terms as to whether Canadians as a whole, as a country, can afford 8.2 per cent, the amount you can afford for health care is a function of your Gross National Product and, particularly, the gross national product per capita: the higher it is, the more you can afford. Surely Canadians are as affluent as people are in France where they currently afford 8.2 per cent; as affluent as people are in the Netherlands where they are now paying 8.5 per cent; as affluent as people are in Sweden where they are paying 8.7 per cent. Surely if these countries which, in many respect, do not have the resources and the people that we have can afford it, surely we can find the money in Canada.

**The Chairman:** Well, thank you very much, doctors. you had a very interesting presentation, and a very resourceful presentation. We appreciate it very much. In a sense, it is going to help us in our study but, in another sense, you are not making our lives easier because, really, you are telling us that Canada needs to spend more resources on health care.

I do not have to go through the figures because you obviously know that but from the federal perspective, the federal government has been paying an increasing amount of the health care bill in Canada in the last five years. Yet, despite that, you are telling us that there is still under-funding generally from the macroeconomic point of view and second, that the provincial governments are not necessarily putting the money there. Now, that part does not make our lives easier. As much as we are sometimes bothered by the situation described in northeastern New Brunswick where, from the point of view of the federal appropriations, an increasing amount of the

**[Traduction]**

pourraient constituer en partie la réponse à certains des problèmes soulevés par M. Thacker.

**Mr. Loiselle:** Briefly, Mr. Chairman, if we were to increase from 7.1 to 8.2 % of the GNP, that would make several hundred millions, if not billions of dollars to get from the taxpayer through the extra billing. Have you given some thought to the question of determining, for a family of four, that is with two children, what should be the minimum salary? Take a patient who has two children and who earns \$12,000 a year, do you think that a doctor feels like changing him something extra? What is the minimum salary? What is the proportion of the Canadian patients who, according to you, could afford the extra billing or conversely what is the percentage of the population that could pay? There are 23 million Canadians. What is the potential that could be used to generate the difference between 7.1 and 8.2 %?

**Dr Thomas:** Je ne pourrais même pas risquer une estimation. Tout ce que je puis dire, c'est que de toute évidence si cette famille hypothétique n'était pas en mesure de payer une partie de ses soins de santé, ce supplément ne serait pas exigé de cette famille comme l'ont toujours fait dans le passé les membres de la profession médicale à l'égard de leurs clients.

**Dr Baltzan:** Monsieur le président, il y a peut-être un malentendu. Nous ne proposons pas que la différence entre 7.1 et 8.2 p. 100 provienne des clients. Nous proposons que le financement global du régime soit porté à ce niveau. Pour ce qui est de savoir si les Canadiens dans l'ensemble, les Canadiens comme peuple ont les moyens de payer 8.2 p. 100, disons que le montant que l'on peut consacrer aux soins de santé est fonction du produit national brut et particulièrement du produit national brut par personne: Plus il est élevé, plus vous avez les moyens. Il nous semble que les gens, au Canada, sont aussi riches qu'en France où l'on consacre déjà 8.2 p. 100; aussi riches qu'aux Pays-bas où l'on paye maintenant 8.5 p. 100; et aussi riches qu'en Suède où l'on atteint maintenant 8.7 p. 100. Il nous semble que si ces pays qui, à bien des points de vue n'ont ni les ressources ni la population que nous avons, ont les moyens de payer ces régimes, il devrait y avoir moyen de trouver les fonds au Canada.

**Le président:** Merci beaucoup, messieurs les docteurs. Vous nous avez fait une présentation très intéressante et très instructive. Nous vous en remercions beaucoup. Dans un sens, elle nous aidera dans notre étude, mais dans un autre sens, vous ne nous rendez pas la vie facile, en nous disant que le Canada devra consacrer davantage de ressources aux soins de santé.

Je n'ai pas besoin de revenir sur les chiffres, car de toute évidence vous les connaissez, mais dans une optique fédérale, disons que le gouvernement fédéral assume une partie de plus en plus grande des soins de santé au Canada depuis 5 ans. Et pourtant, vous nous dites que de façon générale, d'un point de vue macroéconomique, il y a quand même un manque de fonds et vous nous dites par ailleurs que les gouvernements provinciaux ne consacrent peut-être pas nécessairement les fonds à ce domaine. Ce passage ne nous rend certainement pas la vie facile. Nous nous préoccupons autant de la situation dans le Nord-Est du Nouveau-Brunswick où, en vertu des péréqua-



*[Text]*

share is going to the Province of New Brunswick, they make the decision, obviously, not to spend it there or not to spend it elsewhere. We cannot ignore this provincial reality and neither can you. It is easier for you to come before a federal group, and it is easier for us as federal politicians to make judgments on that but, somewhere down the line, we have to remind ourselves that this country is made up of provincial governments also. Regardless of what we think—and I assure you, regardless of what I think about that they do—they are there, and all of this will have to be agreed with them. If it is not agreed, then we are all whistling in the dark.

• 1300

Thank you very much for your contribution. This meeting is adjourned.

## AFTERNOON SITTING

• 1534

**The Chairman:** Order, please. We will continue the study of our order of reference on the Canada Assistance Plan, tax collection agreements, equalization, established programs financing and other fiscal arrangements between the federal government and the provinces.

Two witnesses are slated to appear at this meeting. The first one is from the Federation of Saskatchewan Indians, Chief Sol Sanderson, the president of the federation. Chief Sanderson, do you have a prepared statement or do you just wish to make an oral presentation?

• 1535

**Chief Sol Sanderson (President, Federation of Saskatchewan Indians):** Mr. Chairman, I wanted to present you with a written presentation which will be here about 4 p.m.

**The Chairman:** Okay. We can append it to our proceedings when we receive it. You do not have to put everything on the record now if you do not want to as your submission can be appended to today's proceedings, but it is your choice. You can summarize it for now and then we will go on to questioning.

**Chief Sanderson:** Okay. How much time is allotted, Mr. Chairman?

**Mr. Chairman:** We are pretty flexible on time. We have this afternoon roughly about an hour or an hour and fifteen minutes per witness. You may use that time as you wish, but we find it useful to go into questioning because it gives us an opportunity to delve into the issue.

**Chief Sanderson:** First of all, I want to thank the committee for giving us the opportunity to make a presentation. In Saskatchewan, our chiefs have been pressing forward on many fronts in terms of developments. The mandate we have today from our chiefs in Saskatchewan is in two areas. First of all, a year ago at one of our chiefs' policy conferences, there was a

*[Translation]*

tions fédérales, une proportion croissante est versée à la province du Nouveau-Brunswick qui, de toute évidence, décide de ne pas dépenser ces fonds dans ce domaine, ni de les dépenser ailleurs. Nous ne pouvons fermer les yeux sur cette réalité provinciale et vous ne pouvez le faire non plus. Il est plus facile pour vous de venir devant un groupe fédéral et il est plus facile pour nous, comme politiciens fédéraux, de passer des jugements à ce sujet, mais à un moment donné, il nous faudra bien nous rappeler que notre pays se compose aussi de gouvernements provinciaux. Peu importe ce que nous pensons et, je vous l'assure, peu importe ce que je pense de leur action, ils sont là, ils existent et tout ce que nous décidons devra être corroboré par eux. S'ils ne sont pas d'accord, nous donnons des coups d'épée dans l'eau.

Je vous remercie beaucoup de votre participation. La séance est maintenant levée.

## SÉANCE DE L'APRÈS-MIDI

**Le président:** A l'ordre, s'il vous plaît. Nous poursuivons l'étude de notre ordre de renvoi au sujet du Régime d'assistance publique du Canada, des accords fiscaux, de la péréquation, du financement des programmes établis et des autres accords fiscaux conclus entre le gouvernement fédéral et les provinces.

Deux témoins sont inscrits à notre séance. Le premier est de la Fédération des Indiens de Saskatchewan, le Chef Sol Sanderson, président de la Fédération. Chef Sanderson, avez-vous préparé une déclaration écrite ou voulez-vous faire seulement une présentation orale?

**Chief Sol Sanderson (Président, Fédération des Indiens de Saskatchewan):** Monsieur le président, je voulais vous faire une présentation écrite, et elle arrivera ici vers 4 heures.

**Le président:** C'est très bien. Nous pourrions l'annexer à nos délibérations quand elle arrivera. Il n'est pas nécessaire de lire votre présentation au complet, car nous pourrions l'annexer au fascicule de cette séance, mais c'est à vous de décider. Vous pouvez en présenter un résumé maintenant et ensuite nous poserons des questions.

**Chief Sanderson:** C'est parfait. Combien de temps accordez-vous, monsieur le président?

**Le président:** Nous sommes assez souples à ce sujet. Cet après-midi, nous avons environ 1 heure, 1 heure 15 par témoin. Vous pouvez utiliser ce temps comme vous l'entendez mais nous estimons, quant à nous, que la période des questions est utile, car elle nous donne l'occasion de creuser les sujets.

**Chief Sanderson:** Je voudrais d'abord remercier le comité de nous avoir fourni cette occasion de présenter notre point de vue. En Saskatchewan, nos chefs s'activent sur de nombreux fronts à la recherche d'un renouveau. Le mandat que nous ont confié nos chefs de la Saskatchewan touche deux aspects. Tout d'abord, il y a un an, à une conférence politique de nos chefs,

*[Texte]*

specific resolution that was passed by our chiefs to address the exact area that your committee is mandated by Parliament to address, the EPF funding and the CAP programs. In addition to that, the EPF of course has an impact on the resource-sharing formulas, and the chiefs of Saskatchewan passed another resolution dealing with the resource sharing in the province of Saskatchewan and in Canada. It is those two resolutions that we have been working on over the last year, so when your parliamentary task force came into existence, it almost fitted into our plans in terms of having to address the federal government for change.

We are appearing here at this level because, first of all, we feel that what we have to say to you is of national importance. Second, we have a more serious conference as far as we are concerned, the Assembly of First Nations are meeting in Quebec next week while you are in Regina.

As far as our work in Saskatchewan, the presentations that we make here in respect to EPF and resource sharing, we are dealing with the Province of Saskatchewan on those same areas as the Government of Saskatchewan is concerned with. In fact, we are meeting with Premier Blakeney and his cabinet this Thursday.

The basis for the Canada-Indian fiscal relationships is what we are concerned with. We know that the terms of reference are restricted in terms of the committee here, but I think the impact of the recommendations that may come out of this committee is going to be a significant one in terms of Canada-Indian fiscal relations.

The historical background, of course, has been recited many times, in front of many parliamentary committees, but even what has been done has fallen in many cases on deaf ears and the treaties have been badly misinterpreted over the years. They have been interpreted as peace treaties; they have been interpreted as a way of Canada getting title to lands. But I think more importantly, the articles of treaty spell out certain conditions. They spell out the Crown Canada-Indian relationships, and the Crown is obligated under treaty to certain conditions. They spell out our rights as Indian people with respect to education, health, social services developments. They spell out our economic relationships. Very often our treaties are not looked upon as economic treaties, but a very great part, three quarters of the articles of treaty, are specific when it comes to the economic rights under treaty for Indian people and Canada-Indian relationships.

With respect to resources under treaty, I do not know if you are aware, but the treaties in Saskatchewan spell out several different kinds of land rights with respect to Indian lands in Saskatchewan. Those lands include the reserve lands that you are familiar with which are reserved with a degree of Indian sovereignty intact, the title of which was never transferred to anybody. The other kinds of lands that are kept intact with

*[Traduction]*

une résolution adoptée par nos chefs préconisait précisément l'examen de la question dont le Parlement a confié l'étude à votre comité, le financement des programmes établis et les programmes CAP. En outre, le financement des programmes établis fait appel aux formules de partage des ressources et les chefs de la Saskatchewan ont passé une autre résolution concernant le partage des ressources dans la province de la Saskatchewan et au Canada. Ce sont les deux résolutions que nous examinons depuis un an et la création de votre groupe de travail parlementaire cadrerait exactement avec notre projet de nous adresser au gouvernement fédéral pour obtenir des changements.

Si nous venons vous rencontrer ici aujourd'hui c'est tout d'abord parce qu'à notre avis, ce que nous avons à vous dire revêt une importance nationale. En deuxième lieu, nous avons une autre conférence que, quant à nous, nous considérons plus sérieuse, c'est-à-dire l'Assemblée des Premières Nations qui se réunit à Québec la semaine prochaine pendant que vous serez à Regina.

Pour ce qui est de notre travail en Saskatchewan, les présentations que nous faisons ici au sujet de FPE et du partage des ressources, nous négocions avec la province de la Saskatchewan pour certains aspects de ces mêmes questions qui concernent le gouvernement de la province. De fait, nous rencontrons le premier ministre Blakeney et son conseil jeudi prochain.

Nous voulons faire porter nos efforts sur la base des rapports fiscaux entre le Canada et les Indiens. Nous savons que le mandat de votre comité est assez restreint, mais les recommandations susceptibles de venir de votre comité pourraient avoir un impact considérable en ce qui a trait aux relations fiscales entre le Canada et les Indiens.

Notre passé historique a été raconté bien des fois devant de nombreux comités parlementaires, mais même ce qu'on a dit est souvent tombé dans des oreilles de sourds et des traités ont été très mal interprétés dans le passé. Ils ont été interprétés comme des traités de paix. Ils ont été interprétés comme si le Canada obtenait des titres de terrains. Pourtant, le plus important, c'est que les articles de ces traités précisent très bien certaines conditions. Ils définissent quelles doivent être les relations entre le Canada et les Indiens, et la Couronne se trouve liée par certaines conditions prévues par les traités qui établissent nettement nos droits, en tant que peuple amérindien, en ce qui a trait à l'éducation, à la santé et aux services sociaux. Les traités précisent nos rapports économiques. Bien souvent, nos traités ne sont pas considérés comme des traités d'ordre économique, et pourtant une très grande partie, peut-être les trois quarts des articles de ces traités sont très précis en ce qui a trait aux droits économiques du peuple indien et en ce qui concerne les relations entre le Canada et les Indiens.

Pour ce qui est des ressources visées par les traités, j'ignore si vous le savez, mais les traités de la Saskatchewan établissent avec précision les différentes sortes de droits fonciers en ce qui a trait aux terres des Indiens en Saskatchewan. Ces terres comprennent les réserves indiennes que vous connaissez bien et où se trouve conservée intacte une certaine souveraineté indienne. Le titre de ces terres n'a jamais été transféré à



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respect to treaties and resources are the hunting-fishing-trapping-gathering territories and those are beyond reserve boundaries within treaty territories. So when we talk about the renewable resources with respect to resource sharing in the province and federal scene, we are also talking about our ongoing right of access to those resources as guaranteed under treaty.

• 1540

There are also the timber berths. I do not know if you are familiar with the timber berths under treaty. There are also the fishing station land rights that are guaranteed with respect to having continued access to fishing territory water rights under treaty.

Regarding the mineral resources, these were never entered into as far as discussions are concerned, or were concerned at the time of the signing of the treaty. So as far as we as Indian people of Saskatchewan are concerned anything that was silent at the time of negotiations remains as is.

We have gone forward to the provincial government in Saskatchewan to negotiate our resource-sharing formula, separate and apart from any federal-provincial relationships that exist at the moment. Those negotiations are under way and are based on a resource-sharing formula. We do not want the federal government to interfere in those negotiations in any way even with respect to the EPF and CAP arrangements.

With respect to international law, we are uncertain at the moment as to how Canada views its responsibilities to original peoples in Canada. Certainly Canada, as a government belonging to the international community, must respect the principles of international law. Again, that is the authority and jurisdiction to which we take our position as Indian people when it comes to aboriginal rights and Indian government self-determination.

More specifically, on trust relationship and the federal responsibility, the Royal Proclamation, as you know, recognizes Indian nationhood. The BNA was more specific about

*[Translation]*

personne. Les autres terres qui sont conservées intactes pour ce qui a trait aux traités et aux ressources, sont les territoires de chasse et de pêche et il s'agit là de territoires qui débordent les limites des réserves. Donc, quand on parle de ressources renouvelables en ce qui a trait au partage des ressources sur le plan provincial et fédéral, on parle en même temps de notre droit d'accès à ces ressources qui nous est garanti par traité.

Il y a aussi les concessions forestières. J'ignore si vous connaissez bien cette question des concessions forestières prévues par les traités. Il y a aussi les droits visant l'établissement sur des lieux de pêche qui sont garantis du fait que les traités garantissent un accès permanent aux eaux dans des territoires de pêche.

Pour ce qui concerne les ressources minérales, il n'en a jamais été question dans les discussions actuelles ou dans les discussions qui ont eu lieu lors de la signature des traités. Pour ce qui nous concerne, nous les Indiens de la Saskatchewan, nous soutenons que tout ce dont il n'a pas été question au moment des négociations demeure tel qu'il est. Nous avons fait appel au gouvernement provincial de la Saskatchewan pour négocier avec lui une formule de partage des ressources qui soit distincte et séparée de toute relation fédérale-provinciale qui pourrait exister. Ces négociations sont en cours et se fondent sur une formule de partage des ressources. Nous ne voulons pas voir le gouvernement fédéral s'immiscer dans ces négociations même pour ce qui a trait au FPE ou au CAP.

Pour ce qui a trait au droit international, nous ne savons pas au juste en ce moment comment le Canada envisage ses responsabilités envers les premiers habitants du pays. Chose certaine, le Canada faisant partie de la communauté internationale doit respecter les principes du droit international. C'est l'autorité et la juridiction à laquelle nous présentons notre position en tant que peuple amérindien pour ce qui a trait aux droits aborigènes et à l'autodétermination d'un gouvernement indien.

Plus précisément, au sujet des rapports fiduciaires et de la responsabilité fédérale, la Proclamation Royale reconnaît, comme on le sait, la nation indienne. L'AANB est plus précis en ce qui a trait à la responsabilité du gouvernement fédéral envers les Indiens et les terres indiennes, non pas nécessairement envers les Indiens sur des terres indiennes. Mais je crois qu'il est important que votre comité reconnaisse que la juridiction prévue par l'AANB porte en ce moment sur les Indiens et les terres indiennes. Au cours de vos négociations et de vos discussions avec des représentants provinciaux et avec d'autres ministères, vous allez découvrir qu'il existe, dans la politique fédérale, des Indiens qui sont des Indiens hors réserve. Pour nous, cela n'existe pas. Il s'agit d'Indiens visés par les traités, d'Indiens inscrits en ce qui regarde le rapport fiduciaire découlant de la Constitution, des traités, de la Proclamation et le reste, et nous aimerions voir établir certains principes en ce qui a trait aux relations fiscales au Canada.

Ce sont là les autres domaines dont j'aimerais dire un mot, monsieur le président, c'est-à-dire les principes concernant les relations fiscales entre le Canada et les Indiens. Tout d'abord,

*[Texte]*

the federal government's responsibility to Indians and Indian lands—not necessarily Indians on Indian lands, but I think it is important for this committee to recognize that the jurisdiction under the BNA Act at the present moment is for Indians and Indian lands. You are going to find down the road in your negotiations and discussions with provincial representatives and other departments in government that there is such a thing as an off-reserve Indian in federal policy. To us there is no such thing. There are treaty Indians, registered Indians, and as far as the trust relationship flows from the Constitution and the treaties, the Proclamation and so on, we would like to see a certain set of principles arrived at as far as the fiscal relationship goes in Canada.

Those are the other areas, Mr. Chairman, I would like to touch on: the principles for the Canada-Indian fiscal relations. First of all, there has been a real fear in Canada, especially in eastern Canada, about the existence of Indian government. In the Province of Saskatchewan, Indian government is reality whether Premier Blakeney and his people want to recognize it or not. It is a reality and, as proof of that, the Government of Saskatchewan has entered into an agreement with us at the last All Chiefs Conference, recognizing the political rights of Indian people in that province.

also with respect to the Province of Saskatchewan we will be negotiating the principles respecting political autonomy for Indians in the Province of Saskatchewan. It is those same kinds of principles that we have to start negotiating here at this level, in order to get proper fiscal Canada-Indian fiscal relations established. We do not accept in the Province of Saskatchewan that we are Indian municipalities and that we are local government. We can be like everybody else. One of the glaring differences is that you, as citizens in your municipalities, are represented by the municipal government and its fiscal responsibilities. You are represented by your provincial government and their fiscal responsibilities, and you are also represented by the federal government and their fiscal responsibilities. We as Indian people have not had that kind of access to fiscal resources at any time in our history, and what we are saying is that the new relationships as far as Canada-Indian fiscal relations certainly have a long way to go in terms of catching up. We would like to see the federal government accept clearly what their treaty obligations are with respect to services, lands, resources and other rights.

• 1545

I already mentioned, Mr. Chairman, the fact that Canada must accept before it pursues any kind of fiscal relationship with the provinces, what clearly its constitutional responsibilities are to Indians in addition to the treaty obligations. If you are saying, as members of this Parliament, that we are Canadian citizens, we want to know what it is going to cost Canada in terms of being a Canadian citizen in your country and under your government. That is over and above what those treaty obligations are to the federal government in Canada.

*[Traduction]*

il a existé une crainte réelle au Canada, surtout dans l'Est, au sujet de l'existence d'un gouvernement indien. Dans la province de la Saskatchewan, le gouvernement indien est une réalité, que le premier ministre Blakeney et son peuple veuillent le reconnaître ou non. C'est une réalité et la preuve, c'est que le gouvernement de la Saskatchewan a conclu une entente avec nous lors de la dernière conférence de tous les chefs, reconnaissant les droits politiques des Indiens de la province.

De plus, pour ce qui est de la province de la Saskatchewan, nous négocierons les principes concernant l'autonomie politique des Indiens dans la province de la Saskatchewan. Ce sont un peu les mêmes principes que nous devons commencer à négocier ici, à ce niveau, afin d'en arriver à établir des relations fiscales entre le Canada et les Indiens.

Nous n'acceptons pas, dans la Saskatchewan, que nous soyons des municipalités indiennes et des gouvernements locaux. Nous pouvons être comme tous les autres. Une des différences qui saute aux yeux c'est que vous, en tant que citoyens dans vos municipalités, êtes représentés par le gouvernement municipal et ses responsabilités fiscales. Vous êtes représentés par votre gouvernement provincial et ses responsabilités fiscales et vous êtes aussi représentés par le gouvernement fédéral et ses responsabilités fiscales. Nous, en tant qu'Indiens, n'avons jamais eu accès à cette forme de ressource fiscale au cours de notre histoire et ce que nous disons, c'est que dans les nouvelles relations qui doivent s'établir entre le Canada et les Indiens, il y a beaucoup de rattrapage à faire. Nous aimerions voir le gouvernement fédéral accepter toutes les obligations qui lui sont imposées par les traités en ce qui a trait aux services, aux terres, aux ressources et le reste.

J'ai déjà dit, monsieur le président, qu'avant de chercher à établir des relations financières avec les provinces, le Canada doit commencer par reconnaître les responsabilités constitutionnelles qui lui incombent clairement à l'égard des Indiens, en plus des obligations découlant des traités. Si vous dites, en tant que membres de ce Parlement, que nous sommes des citoyens canadiens, nous voulons savoir ce que cela coûtera au Canada d'être un citoyen canadien dans votre pays et sous votre gouvernement. Cela, en plus de toutes les obligations qui incombent au gouvernement fédéral du Canada en vertu des traités.



*[Text]*

We want to see the principle of acceptance of resource sharing and revenue sharing established federally. Under treaty, the Indian immunity from taxation is clear. That is not to say that we cannot generate our own revenue by taxing our own resources. We are negotiating now with the Province of Saskatchewan to clear out of the area of taxing Indian resources because that is clearly an Indian government jurisdictional responsibility. Likewise, the same position is being taken federally and we are negotiating with various departments now to establish that jurisdiction.

I want to discuss with you the current Canada-Indian fiscal arrangements even though I am sure that before you became members of the committee it was quite clear in terms of the Canada fiscal relations now. But I am not sure that the arrangements that exist are understood as they impact on Indian people.

The contribution arrangements between the bands for administration and the federal government are clearly only administrative arrangements as far as delegating management and responsibility for Indian developments, whether it be social, economic, political or other areas. We have a selective set of priorities for Indians established by government. If you as a committee are to go around from province to province and selectively establish priorities for the provincial governments, I am sure you would run into difficulty. Likewise, with the Indian community; we are not interested in having government select priorities for our developments.

There are complex requirements by the bureaucracy, more than are necessary. We are not saying that we do not want to be accountable to Treasury Board and to government, but every time we get funding that is allocated to the Indian community, whether it be at the band, the district, the provincial or the national level, we have the authorities who are there from Treasury Board. In addition to that we have the bureaucratic policies that are put in place over and above the regulations that are available from government itself. I separate the bureaucrats from the government in many cases because we find that the bureaucrats are in a habit of over regulating in any government.

Inadequate financing, the under-financed development; they exist simply because of the many fiscal arrangements that exist now. I want to say that in Saskatchewan, as far as we are concerned, there exists, over the two-year study that we have been involved in, 163 federal-provincial fiscal arrangements that impact directly or indirectly on the Indian developments, on the Indian people. Just about all of those agreements will not direct any moneys to the Indian community and the Indian developments. Therefore, the existing programs that are taken up by the bands for administration and development are seriously under financed.

We are not suggesting that the government has to make a whole lot of new money available, but the government has to find a different way of redirecting money that is already in

*[Translation]*

Nous voulons voir s'établir au niveau fédéral le principe de l'acceptation du partage des ressources et des revenus. En vertu des traités, l'immunité indienne de l'impôt est claire. Cela ne veut pas dire que nous ne pouvons pas produire nos propres revenus en imposant nos propres ressources. Nous sommes en négociation avec la province de la Saskatchewan pour qu'elle se retire des champs d'imposition des ressources indiennes parce qu'il s'agit là clairement d'une responsabilité d'un gouvernement indien. De la même manière, la même position est adoptée au niveau fédéral et nos négociations avec divers ministères pour établir cette juridiction.

Je voudrais maintenant vous parler des présentes ententes fiscales entre le Canada et les Indiens même si, j'en suis certain, avant d'être membres de ce comité, vous pensiez que les relations fiscales canadiennes étaient très claires. Mais je ne suis pas certain que les accords existants soient bien compris en ce qui a trait à leurs conséquences pour les Indiens.

Les accords de contribution conclus entre les bandes et le gouvernement fédéral pour l'administration ne sont de toute évidence que des accords administratifs qui comportent la délégation de la gestion et de la responsabilité pour les développements indiens, qu'il s'agisse du domaine social, économique, politique ou autre. Certaines priorités sont établies pour les Indiens par le gouvernement. Si votre comité essayait d'aller d'une province à l'autre pour établir des priorités pour les gouvernements provinciaux, je suis sûr que vous auriez des difficultés. Il en va de même pour la communauté indienne. Nous ne voulons pas que le gouvernement établisse des priorités en ce qui a trait à notre développement.

Il y a des exigences qui nous sont imposées par la bureaucratie, plus que de besoin. Nous ne disons pas que nous ne voulons plus rendre des comptes au Conseil du Trésor et au gouvernement, mais chaque fois que des fonds sont accordés à la communauté indienne, que ce soit au niveau de la bande, du district, au niveau provincial ou national, nous avons les autorisations qui sont données par le Conseil du Trésor. En outre, nous avons des politiques bureaucratiques qui se superposent aux réglementations imposées par le gouvernement lui-même. J'établis une distinction entre les bureaucrates et le gouvernement parce que dans bien des cas, les bureaucrates ont l'habitude d'ajouter leur propre réglementation à celle du gouvernement.

Le financement inadéquat, les développements insuffisamment financés existent simplement à cause des nombreux accords fiscaux existants. Permettez-moi de vous dire qu'en Saskatchewan, au cours des deux années d'études que nous avons faites, nous avons découvert 163 ententes fiscales fédérales-provinciales qui influent directement ou indirectement sur le développement des Indiens, du peuple indien. A peu près toutes ces ententes évitent de faire verser des fonds à la communauté indienne et aux développements indiens. Par conséquent, pour les programmes existants que les bandes se chargent d'administrer et de développer, il y a un manque sérieux de financement.

Nous ne disons pas que le gouvernement devrait libérer beaucoup d'argent neuf, mais nous disons que le gouvernement doit trouver de nombreux moyens de réorienter les fonds déjà

## [Texte]

existence. I cannot speak too much for the overregulation of money. In the Federation of Saskatchewan Indians, we have a health task force, a social services task force which is getting off the ground. We have several departments, provincially and federally, which are involved in the funding for one task force, and each of them has its own separate regulations for accounting. In the FSI itself, it is a pretty major operation.

• 1550

I am giving you some examples of the over-accountability we have. We get funding from various federal departments which is accounted for legally, by agreement. We also get funding directly from the provincial treasury. We do not go through specific departments at the provincial level. We are expected, in addition to that, through Secretary of State, where we receive our CORE funding for the FSI, to account to them again, for all the funds we receive from the other sources available to us.

The fiscal flows are unstable, unpredictable at the band level. I was a chief for six years. Coming April 1, every year, you started from literally a zero base. I am not talking about zero-base budgeting. I am talking about literally no money. It is 1980. I think it is time we had a true formula for funding Indian government, Indian developments, in Canada. This has been a difficult area for us to address, simply because Canada has not taken a lead role in spelling out its obligations to Indians under the Constitution.

The banks are refusing credit to the bands. The banks, up to now, have been getting guarantees from the Department of Indian Affairs and from DREE and other federal departments, based on letters of commitment. Because of the uncertainty of those funds and those letters of commitment, banks are refusing those guarantees. Because of the unpredictability of moneys flowing into the bands and our developments, and the inefficient manner in which they are handled, we estimate that across Canada \$13 million plus in interest alone is being generated in the banks carrying overdrafts and lines of credit in 1980-81.

Intergovernmental transfers—there has been a shift of responsibility away from Canada as a federal government. There are clear obligations under treaty for the federal government. We want those specifically addressed. Through the federal-provincial agreements which have been signed up to now, not only are you transferring the cash to the provinces and other departments; you are also transferring the constitutional legal obligations of Canada to provincial governments or other federal departments. I am speaking now specifically of the Department of Indian Affairs.

We feel the Indian factor, not recognized by the provinces, is consistent with our position on treaty. It does not mean that the provinces are going to go free with respect to the Indians in their provinces. But about the legal constitutional treaty obligations of Canada, we feel there can be no transfer of those obligations.

## [Traduction]

existants. Je ne pourrais trop parler de la surréglementation de l'argent. A la Fédération des Indiens de la Saskatchewan, nous avons un groupe de travail sur la santé, un groupe de travail sur les services sociaux qui commence des activités. Plusieurs ministères provinciaux et fédéraux fournissent des fonds à cet unique groupe de travail et chacun a ses propres règlements de comptabilité. Pour la Fédération même, c'est une opération assez considérable.

Je vous donne quelques exemples de nos excès de comptabilisation. Nous recevons des fonds de divers ministères fédéraux dont la comptabilisation est prévue par un accord. Nous recevons aussi des fonds directement du trésor provincial. Au niveau de la province, nous n'avons pas à passer par divers ministères. Ce n'est pas tout. Le Secrétariat d'Etat, principale source de financement pour la Fédération, nous demande de lui rendre des comptes pour tous les fonds que nous recevons d'autres sources.

Au niveau de la bande, les entrées de fonds sont instables et imprévisibles. J'ai été chef durant six ans. A la date du 1<sup>er</sup> avril, chaque année, il fallait littéralement commencer à zéro. Je ne parle pas d'un budget sur une base zéro. Je parle du fait que nous n'avions absolument pas de fonds. Je crois qu'il est grand temps, en 1980, de trouver une véritable formule pour le financement du gouvernement indien, du développement des Indiens au Canada. C'est une question difficile à cerner rce que le Canada n'a pas pris l'initiative de bien préciser quelles sont ses obligations envers les Indiens en vertu de la constitution.

Les banques refusent du crédit aux bandes. Les banques, jusqu'à maintenant, ont reçu des garanties du ministère des Affaires indiennes, du MEER et d'autres ministères fédéraux, sur la foi de lettres d'engagement. A cause de l'incertitude de ces fonds et de ces lettres d'engagement, les banques refusent maintenant ces garanties. A cause du caractère imprévisible des entrées de capitaux pour les bandes et pour notre développement, et parce que ces fonds sont distribués de façon inefficace, nous pensons que dans l'ensemble du pays, il doit y avoir au moins 13 millions de dollars en intérêt sur les découverts et sur les lignes de crédit en 1980-1981 dans les banques.

Pour ce qui est des transferts intergouvernementaux, il y a eu une diminution de la responsabilité du Canada, du gouvernement fédéral. Pourtant, les traités imposent clairement des obligations au gouvernement fédéral et nous voulons qu'elles soient respectées. Au moyen des ententes fédérales-provinciales signées jusqu'ici, non seulement vous transférez les fonds aux provinces et à d'autres ministères, mais vous transférez aussi les obligations constitutionnelles du Canada à des gouvernements provinciaux ou à d'autres ministères fédéraux. Je parle maintenant du ministère des Affaires indiennes.

Nous estimons que le facteur indien, qui n'est par reconnu par les provinces, justifie la position que nous adoptons au sujet des traités. Cela ne signifie pas que les provinces vont se déclarer libres de toute obligation à l'endroit des Indiens dans leur province. Mais quand il s'agit des obligations constitutionnelles découlant de traités, nous estimons que le gouvernement fédéral ne peut transférer ces obligations.



*[Text]*

We are aware of a provincial ministerial meeting held in Edmonton recently with all the ministers responsible for Indians. It was a provincial meeting along with the two territories. In every case, the provinces clearly stated that the EPF funding provided to them excluded responsibility for Indians. The same with CAP; the same with RCMP funding, where it was applicable. I could go on and list for you the number of positions the provinces have taken on Indians and the specific agenda items which were discussed at that conference, but I am sure you will hear about them as you travel across Canada.

The intergovernmental transfers undermine the authority of Indian government. We want Indian government recognized in any of the jurisdiction dealt with, whether they are fiscal or dealing with transfer of responsibility.

• 1555

These areas of course result in very poor services. We have experienced, as Indian people in our communities, the loss of control over our economics. We have lost control over our social developments, control over our cultural and spiritual developments. We have lost control over our political developments, our land and resource developments. As a result of that, governments are responding to symptoms of high suicide, high stop-out rates, high unemployment rates. I could go on and on with you about the conditions that exist in our communities. We want to get back control over those areas and have at least some influence on improving those conditions.

The recommendations take into account the Indian presence in Canada, allocation in terms of the need to share with the Indian community in Canada the new fiscal relationship. In specific terms, we would like to see a Canada Indian resource fund; for the sake of identifying it specifically, a Canada-Saskatchewan Indian resources fund. I am not saying, Mr. Chairman, that "Saskatchewan" represents the Province of Saskatchewan, but it represents the Indian community in the Province of Saskatchewan. That too has national implications, we understand and recognize.

To establish that Canada-Saskatchewan Indian Resources Fund, those principles which flow from constitutional legal responsibility and treaty responsibility and obligations have to be recognized. The creation of an SIR fund would start from a special appropriation by Canada, recognizing its treaty legal obligations.

We would also want to see, in addition to that, the rolling up of the equalization EPF and CAP funding, and those kinds of funds directed to Indian institutions. Where there exist other funds, we would also want to see those funds rolled up for Indian programming in that fund. About resource revenues, the indexing of resources wherever we have resource development, the indexing of revenues, government is in the habit of indexing government revenues for self-sustaining purposes, and

*[Translation]*

Nous sommes au courant d'une réunion ministérielle provinciale tenue à Edmonton récemment et groupant tous les ministres responsables des Indiens. C'était une réunion des provinces et des deux territoires. Dans tous les cas, les provinces ont déclaré clairement que les fonds reçus pour des programmes établis excluaient toute responsabilité à l'égard des Indiens. Elles ont dit la même chose au sujet du RAPC et au sujet du financement de la GRC, où cela s'appliquant. Je pourrais vous donner la liste des positions adoptées par les provinces au sujet des Indiens ainsi que la liste des questions étudiées à cette conférence, amis je suis certain que vous en entendrez parler dans vos voyages à travers le Canada.

Les transferts intergouvernementaux minent le pouvoir du gouvernement indien. Nous voulons que le gouvernement indien soit reconnu dans toute juridiction à l'étude, qu'il s'agisse de financement ou de transfert de responsabilités.

Il résulte que dans ces domaines, nous avons de bien piètres services. En tant qu'Indiens, nous avons perdu le contrôle de notre économie dans nos communautés. Nous avons perdu la maîtrise de notre développement social, de notre développement culturel et spirituel. Nous avons perdu la maîtrise de notre développement politique, du développement de nos terres et de nos ressources. Il en résulte que les gouvernements doivent examiner des symptômes comme les taux élevés de suicides, d'abandon et de chômage. Je pourrais vous parler longtemps des conditions qui existent dans nos collectivités. Nous voulons retrouver la maîtrise de tous ces domaines et exercer au moins une certaine influence sur les moyens d'améliorer ces conditions.

Les recommandations tiennent compte de la présence indienne au Canada, des allocations fondées sur la nécessité de partager avec la communauté indienne au Canada les nouveaux rapports fiscaux. En termes précis, nous aimerions voir créer un fonds des ressources indiennes au Canada. Pour que ce soit bien clair, disons qu'il s'appellerait le Fonds des ressources indiennes Canada-Saskatchewan. Je ne dis pas que le mot Saskatchewan représente ici la province de la Saskatchewan, mais plutôt la communauté indienne dans la province de la Saskatchewan. Nous comprenons que cela aura des implications nationales.

Pour établir ce fonds des ressources indiennes Canada-Saskatchewan, il faut que les principes découlant des responsabilités constitutionnelles et des responsabilités et obligations prévues par les traités soient bien reconnus. La création de ce fonds commencerait par une mise spéciale du Canada reconnaissant ses obligations légales découlant des traités.

Outre cela, nous voudrions aussi une augmentation du financement provenant des programmes FPE et CAP, et nous voudrions que ces fonds soient versés à des institutions indiennes. Où il existe d'autres fonds, nous voulons également qu'ils soient augmentés et mis à la disposition des programmes indiens. Pour ce qui est des revenus de ressources, l'indexation des ressources partout où il y a développement d'une ressource, l'indexation des revenus. Le gouvernement a l'habitude d'in-

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the same thing must apply to our Indian governments and our Indian communities.

This, of course, is not going to be done without a statutory formula. We feel a statutory formula is a must, because without changing legislation we do not feel we can accomplish what we are looking for.

About the characteristics of funds, there must be an adequate size of funds to meet the obligations and to provide for commensurate services and catch-up. There must be a stable, predictable fund. It must be responsive to the growth of the economy; and that is both the Canadian economy and the Indian economy. I guess one of the weakest areas as far as we are concerned, Mr. Chairman, is the fact that the Indian economic community has been recognized by governments everywhere and there must be a responsive system to our economic community.

• 1600

We do not want to have that interpreted as Canada having the control of economics and the province having the control economics and fitting Indians into those plans and strategies. We have clear expectations from treaty obligations in our strategies whereby government will have to respond by long-range federal-Indian fiscal agreements to our developments.

With respect to the management of funds, when you transfer funds to the provinces you do not go out and develop all the details with respect to the policies that are going to have an impact on those funds and those services to their constituents. But federally you are expecting to do that. What we are saying is to stay out of that area. Our chiefs and our councils are quite capable of designing policies and setting standards with respect to the expenditure of funds in each of those areas.

We have several developments where we have the institutions administered and developed by the chiefs of the Province of Saskatchewan and they elect the boards to each of those institutions. We would like to see that institutional funding provided in a similar manner as you do now to the provincial governments. We want to be first of all accountable to the Indian community. We spend hours legitimizing our existence first of all, then accounting to governments on funding we receive. Any funding arrangements that we do get, we want to make it clear that we are first of all accountable to the Indian community and secondly to the source that is providing the funding.

I do not know how successful you will be, but in the EPF funding we have not been able to get an accounting for that fund with respect to the Indian services to date. It seems to be a block transfer of funds to the Province of Saskatchewan and they determine at will where that funding is going to be spent. The implications, of course, are going to mean freeing the Indians from all the bureaucratic overburden, and they are

*[Traduction]*

dexer les revenus gouvernementaux pour des fins d'autosuffisance et la même chose doit s'appliquer aux gouvernements indiens et aux communautés indiennes.

Cela, bien sûr, ne pourra pas se faire sans une formule statutaire. A notre avis, la formule statutaire est essentielle parce que si la législation n'est pas changée, nous ne croyons pas pouvoir réaliser ce que nous recherchons.

Pour ce qui est des caractéristiques des fonds, disons qu'ils doivent être assez considérables pour satisfaire à toutes les obligations et fournir des services satisfaisants, en plus d'un certain rattrapage. Il faut un fonds stable et prévisible. Il doit s'aligner sur la croissance de l'économie et nous parlons ici tant de l'économie canadienne que de l'économie indienne. A notre avis, l'une des faiblesses de tout le système, monsieur le président, c'est le fait que la communauté économique indienne a été reconnue par les gouvernements un peu partout et il faudrait un système axé sur notre communauté économique.

Nous ne voulons pas dire par-là qu'il faut donner au Canada le contrôle de l'économie, puis à la province le contrôle de l'économie, pour ensuite insérer les Indiens dans ces plans et stratégies. Nous avons fait, dans nos stratégies, des prévisions très nettes découlant des obligations imposées par les traités et en vertu desquelles le gouvernement devra répondre à notre développement au moyen d'ententes fiscales à long terme entre le Canada et les Indiens.

Pour ce qui est de la gestion des fonds, quand vous transférez des fonds à une province, vous ne prenez pas la peine d'élaborer dans tous les détails toutes les politiques qui auront un impact sur ces fonds et tous les services destinés à leurs commettants. Mais au niveau fédéral, c'est ce que vous voulez faire. Ce que nous vous disons, c'est de ne pas vous immiscer dans ce domaine. Nos chefs et nos conseils sont parfaitement capables de définir les politiques et les normes régissant la dépense des fonds dans ces domaines.

Nous avons plusieurs développements où des institutions sont administrées et développées par les chefs de la province de la Saskatchewan et ils élisent des conseils pour chacune de ces institutions. Nous voulons que les financements des institutions se fassent un peu de la même manière que vous le faites avec les gouvernements provinciaux. Nous voulons avoir à rendre des comptes tout d'abord à la communauté indienne. Nous passons des heures à légitimer notre existence, puis à rendre des comptes à des gouvernements au sujet des fonds que nous avons reçus. Pour tous les fonds que nous recevrons, nous voulons qu'il soit bien clair que nous devons tout d'abord rendre des comptes à la communauté indienne et ensuite, à la source d'où provient le financement.

J'ignore dans quelle mesure vous réussirez, mais pour ce qui est du financement des programmes établis, nous n'avons pas encore pu obtenir une comptabilisation de ces fonds pour ce qui a trait aux services aux Indiens. Il semble qu'il y ait un transfert de fonds en bloc à la province de la Saskatchewan qui détermine comment ces fonds seront dépensés. La conséquence, c'est évidemment qu'il faudra libérer les Indiens de



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also going to mean that you are going to see more Indian bureaucrats, true Indian bureaucrats, in the Indian communities and in our institutions.

It also frees the Indian allocations from political and bureaucratic forces that are at work. Even though you would get funds committed from government, you are always making money-runs as chiefs to see that those agreements are fulfilled. You are always running into what we call the cheap politics of the civil servants where the chiefs are asked to divide up a pot of funds, and they always play politics with funding provided by Parliament.

We are recommending that the federal appropriation process be at least guarded against the civil service politics. We are also recognizing that what we are proposing requires major legislation federally and complementary enabling legislation provincially. But we do not see it being a difficult task. You already have example set for you within the federal government. If you look at the pipeline legislation, which is only about two paragraphs with respect to fiscal resources, you will see that the minister responsible for the pipeline has a mandate to take funds from any other federal source and redirect it to the pipeline developments. Similarly, we would like to see legislation put in place with respect to Canada-Indian fiscal relations.

Recommendation no. 3 states that because we are outside your terms of reference and you are only a small part of our presentation, we would like to see a parliamentary task force on Canada-Indian fiscal relations established, the terms of reference set jointly by the Parliament of Canada and the Indian people in Canada.

• 1605

Going into some of the specific areas, Mr. Chairman, on Indian institutional development in Saskatchewan, I am going to call on Mr. Pat Woods to address one specific area as it relates to economics, and he will demonstrate to you the strategies that we are putting in place in the province of Saskatchewan and how we expect the federal government to respond.

While Mr. Woods is preparing, I am going to review with you the educational developments.

In the province of Saskatchewan, we see several of our bands—there are 69 bands in the province of Saskatchewan and 133 reserves. Under treaties, it is specifically called for that the government will establish a school on reserves and provide instructors.

Over a number of years, the federal and provincial governments entered into capital and tuition agreements, and in those capital and tuition agreements there was not only a transfer of funds but there was also a delegated transfer of legal responsibility.

We in Saskatchewan see the education in the in-school program and post-secondary institutional areas being a respon-

*[Translation]*

tout le fardeau bureaucratique d'une part et que par ailleurs, il y aura de plus en plus de bureaucrates indiens, de véritables bureaucrates indiens dans les communautés indiennes et dans nos institutions.

Cela libère aussi les allocations indiennes des forces politiques et bureaucratiques qui sont à l'œuvre. Même quand on obtient qu'un gouvernement s'engage à verser des fonds, il faut que les chefs continuent à multiplier les démarches pour s'assurer que les engagements pris seront respectés. Nous sommes toujours obligés de nous livrer à ce que nous appelons la petite politique des fonctionnaires en vertu de laquelle les chefs sont invités à diviser les fonds reçus, car on fait toujours de la politique avec les financements assurés par le Parlement.

Nous recommandons que les allocations fédérales soient au moins protégées contre la politique des fonctionnaires. Nous savons aussi que nos propositions exigent d'énormes changements législatifs au niveau fédéral ainsi que des lois complémentaires d'exécution au niveau provincial. Mais nous ne pensons pas que ce soit une tâche difficile. Il y a déjà des exemples à l'intérieur du gouvernement fédéral. Si vous examinez la loi sur les pipelines, qui ne consacre qu'environ deux paragraphes aux ressources financières, vous verrez que le ministre responsable du pipeline a le mandat de prendre des fonds provenant de toute autre source fédérale et de les faire servir au développement du pipeline. Nous voulons une loi semblable pour ce qui a trait aux relations fiscales entre le Canada et les Indiens.

La recommandation numéro 3 dit que parce que nous ne sommes pas prévus dans votre mandat et que de toute façon vous n'êtes qu'une petite partie de notre présentation, nous demandons la création d'un groupe de travail parlementaire sur les relations fiscales entre le Canada et les Indiens, groupe dont le mandat sera élaboré conjointement par le Parlement du Canada et par les Indiens du Canada.

Pour passer à des domaines particuliers, monsieur le président, soit à celui du développement des institutions indiennes en Saskatchewan, je demanderai à M. Pat Woods d'examiner un secteur particulier qui a trait à l'économie et il vous démontrera quelles stratégies nous mettons en place dans la province de la Saskatchewan et comment nous voulons voir le gouvernement fédéral y répondre.

Pendant que M. Woods se prépare, j'étudierai avec vous les développements dans le domaine de l'éducation.

Dans la province de la Saskatchewan, il y a plusieurs bandes. En fait il y en a 69, plus 133 réserves. Aux termes des traités, il est précisément prévu que le gouvernement établira une école dans les réserves et fournira les instructeurs.

Au cours des années, le fédéral et la province ont conclu des accords de capital et d'enseignement en vertu desquels il y a eu non seulement des transferts de fonds, mais également un transfert de responsabilité juridique.

Pour nous, de la Saskatchewan, l'éducation dans les écoles et dans les établissements post-secondaires est une responsabi-

*[Texte]*

sibility of the federal government and the fair responsibility of the federal government, even though we understand that under the constitution there is a division of powers for a province with respect to education.

We have a number of bands that are now moving back to Indian control of Indian education from kindergarten through to Grade 12. There exist tuition agreements and capital agreements that are grants paid in lieu of taxes to the municipalities or the school boards.

In the area of capital funding to date, there is about \$30 million of capital funds that have been spent in the Province of Saskatchewan on behalf of Indians in the urban centres and in the municipalities. There has been no planning done by the province or the federal government for the Indian presence in the field of Indian education. Our chiefs took over that responsibility about 15 years ago and started developing strategies and plans.

Out of that, in addition to the schools on the reserves, we have realized the development of three colleges: one on the Regina campus, which is a Saskatchewan Indian federated college—it is a degree-granting college; a second is the Saskatchewan Indian Community College operating out of Saskatoon, and that provides for the skill training in our communities—in some cases, centralized skill training; and the third college is a cultural college, which is a developmental institution. And in all cases, Mr. Chairman, the EPF funding formula is a formula whereby the university colleges on campus in Saskatchewan and Regina receive their funding from that federal-provincial agreement.

To date, we have not been able to firm up any kind of long-term funding with respect to those institutions. There have been promises and negotiations going on with respect to that long-term funding but that is one example of the post-secondary funding that is available through EPF not being flexible enough to redirect those kinds of funds to the Indian community.

We have talked with the Secretary of State, we have talked with the provincial government, and both of them appear to be ready to move; but we want to make sure that any negotiations with respect to EPF in Saskatchewan does not cause any of the post-secondary institutional funding to be directed to the provincial government in Saskatchewan but direct to us through the federal government.

Social services: that is another area that impacts on our developments. The province is having a difficult time cleaning up its own backyard with respect to its own children and those that they are mandated by the constitution to have responsibility for. We do not want to add to their burden by including our children. The chiefs in Saskatchewan, at the last policy conference gave us the mandate to establish the Saskatchewan Indian Child Care Service. Again, the EPF funding has an impact on that, and it is the same thing with the home care program for adults.

*[Traduction]*

lité du gouvernement fédéral et une juste responsabilité du gouvernement fédéral, même si, selon la Constitution, il y aurait paraît-il une division des pouvoirs en faveur des provinces à l'égard de l'éducation.

Nous avons plusieurs bandes qui commencent à ramener l'école sous le contrôle indien depuis le jardin d'enfance jusqu'à la 12<sup>e</sup> année. Il existe des accords d'enseignement et des accords de capital qui permettent le versement de subventions au lieu de taxes aux municipalités ou aux conseils scolaires.

Dans le domaine des investissements, disons qu'environ 30 millions de dollars ont été dépensés dans la province de la Saskatchewan au nom des Indiens dans les centres urbains et dans les municipalités. Il n'y a eu aucune planification par la province ou par le gouvernement fédéral pour ce qui est de la présence indienne dans le domaine de l'éducation des indiens. Nos chefs ont assumé cette responsabilité il y a une quinzaine d'années et ont commencé à élaborer des stratégies et des plans.

Dans ce cadre, en plus des écoles des réserves, nous avons réalisé l'établissement de trois collèges: L'un sur le campus de Regina, qui est un collège fédéré indien de la Saskatchewan, collège qui délivre des diplômes; le deuxième est le Collège communautaire indien de la Saskatchewan, situé à Saskatoon, et qui dispense l'enseignement de métiers dans nos communautés, dans certains cas l'enseignement centralisé de métiers; et le troisième collège est un collège culturel, un établissement de perfectionnement. Et dans tous les cas, monsieur le président, la formule du FPE est une formule en vertu de laquelle les collèges universitaires de Saskatoon et de Regina reçoivent leur financement de cet accord fédéral-provincial.

Jusqu'à maintenant, nous n'avons pas réussi à obtenir des engagements fermes à longue échéance pour le financement de ces institutions. Il y a eu des promesses et des négociations au sujet du financement à long terme, mais c'est là un exemple de ce financement du niveau post-secondaire qui est disponible par l'entremise du programme FPE. Mais ce programme n'est pas assez souple pour permettre de faire verser ces fonds à la communauté indienne.

Nous avons eu des entretiens avec le Secrétariat d'État et avec le gouvernement provincial. Tous deux semblent disposés à passer aux actes. Mais nous voulons nous assurer qu'à la suite de toute négociation concernant le FPE en Saskatchewan, il n'arrivera pas que les fonds destinés au financement du niveau post-secondaire soient versés au gouvernement provincial de la Saskatchewan, mais qu'ils soient plutôt versés directement à nous par le gouvernement fédéral.

Les services sociaux: Voilà un autre facteur important pour notre développement. La province éprouve déjà beaucoup de difficultés à résoudre tous ses problèmes concernant ses propres enfants et tous ceux dont elle a la responsabilité en vertu de la Constitution. Nous ne voulons pas ajouter à leur fardeau en incluant nos enfants. En Saskatchewan, lors de la dernière conférence d'orientation, les chefs nous ont donné le mandat d'établir le service de soins aux enfants des Indiens de la Saskatchewan. Le Financement des programmes établis a une influence sur ce service, tout comme sur celui des soins à domicile pour les adultes.



[Text]

• 1610

In Saskatchewan we are also setting up a control of health at the community level, provincial level and district level, and the EPF provides funding for health clinics and other support services in the field of health. What we have been told is that the EPF funding does not include Indians in terms of its formula for the funding provided to the Province of Saskatchewan. We argue differently, we say that we are included.

Mr. Chairman, those are only some specific examples of the impact that the present EPF funding agreements have on us.

I am going to ask Mr. Woods to describe to you some of the economic development strategy that we are putting in place in the Province of Saskatchewan.

**Mr. Pat Woods (General Manager, Simco Developments Ltd.):** Thank you, Chief Sanderson and Mr. Chairman.

As part of the economic planning in anticipation of a new Canada-Indian fiscal relationship, it needs to be said that a high priority will be given, and an extensive amount resulting from any new relationship would be invested, or will be invested, in the development of Indian economics and Indian economies. There is a willingness to participate in economic endeavour and to move into productivity. Some of it, as a matter of fact, has already been initiated, and a lot is in the developmental stages right now. The chart, which perhaps I could circulate to the committee members, demonstrates, I think, some of the overview of the economic planning that in fact is going on. This represents one component of how direct transfer payments between the Government of Canada and the Indian economic entities will, in fact, be used and invested.

That chart represents five basic Indian economic entities, beginning with the band, the major Indian corporations that are currently being developed, individual enterprise, the ongoing policy and co-ordinating that is required, and a move as well to generate productivity and Indian enterprise in some of the major urban centres—and wherever you go, not only in Saskatchewan but across Canada, I think you will observe that this movement is there. It is lacking some things. It is lacking direct access to funds and it is lacking the kind of catalyst that is required in terms of federal government policy.

If there is going to be a new federal-Indian fiscal relationship, there are a couple of principles that are pretty essential. In the relationship there would have to be a clear federal presence and visibility, and the initiatives must be seen by Canadians to be initiatives of the Government of Canada and the Indian leadership, politically and economically. For too long large amounts of federal funds have been used to develop local and regional interests with little or no credit or recognition being given to where, in fact, those resources and those funds are coming from. This would be one of the principles, I think, that would have to underlie any federal-Indian economic arrangement.

[Translation]

En Saskatchewan, nous établissons aussi des mécanismes de surveillance des services de santé dans les communautés, les régions et dans l'ensemble de la province; le FPE prévoit des fonds pour les cliniques de soins de santé et les autres services d'appui dans le domaine de la santé. La formule de financement pour la province de Saskatchewan n'incluerait cependant pas les Indiens, à ce qu'on nous a dit. Nous ne sommes pas d'accord.

Monsieur le président, ce sont là quelques exemples précis de l'influence qu'ont sur nous les ententes actuelles en matière de financement des programmes établis.

Je vais demander à monsieur Woods de vous donner un aperçu de la stratégie de développement économique que nous élaborons en Saskatchewan.

**M. Pat Woods (directeur général, Simco Developments Ltd.):** Merci, chef Sanderson et monsieur le Président.

Dans le cadre de la planification économique en prévision de l'établissement d'une nouvelle politique financière entre le Canada et les Indiens, il importe de dire qu'une grande priorité sera accordée à l'établissement d'un régime économique pour les Indiens; une partie importante des sommes provenant d'une nouvelle entente serviraient à atteindre cet objectif. Il y a là une volonté de participer à des entreprises économiques et de favoriser la productivité. Certaines efforts ont déjà été faits dans ce sens. Le tableau que je vais, si vous le permettez, distribuer aux membres du comité me semble donner un certain aperçu des efforts réels de planification économique. Il s'agit d'une exemple de la façon dont un élément des paiements de transfert direct entre le Gouvernement du Canada et les entités économiques indiennes sera utilisé et investi.

Ce tableau représente cinq entités économiques indiennes de base: il y a d'abord la bande, puis les principales sociétés indiennes qui sont en voie d'être établies, l'entrepreneur autonome, les programmes cadres et la coordination qui sont nécessaires, ainsi qu'un effort en vue de promouvoir la productivité et l'entreprise indienne dans certains des principaux centres urbains—vous verrez, je crois, que cette tendance se manifeste non seulement en Saskatchewan, mais partout au Canada. Il y a certaines lacunes. Il n'est pas possible d'avoir accès aux fonds directement et il n'y a pas de politique du gouvernement fédéral qui puisse servir de catalyseur.

Si une nouvelle relation financière doit être établie entre le gouvernement fédéral et les Indiens, certains principes devraient être reconnus. La présence fédérale doit être très visible et il faut que les Canadiens sachent qu'il s'agit d'initiatives conjointes du Gouvernement du Canada et des dirigeants indiens, sur les plans politique autant qu'économique. Pendant trop longtemps, des sommes importantes provenant du gouvernement fédéral ont été utilisées pour promouvoir les intérêts locaux ou régionaux sans que l'on songe à mentionner ou à reconnaître la source de cette aide financière. Ce serait là, à mon avis, un des principes sous-jacents à toute entente économique entre le gouvernement fédéral et les Indiens.

[Texte]

• 1615

The developmental strategy basically falls into three categories: there is the organizing that needs to be done with the economic entities to get ready to embark on major economic activities; there is the project implementation itself; and there are already fairly extensive Indian resource bases, both in terms of human resources and in terms of renewable and nonrenewable resources—and of course there are prospective expansions of those resource bases as well.

The kinds of projects and initiatives are described generally as you go down the chart. There are Indian minerals and there are Indian oil and gas properties, and so on. They need to be developed and exploited in the same way as they are being developed in all other parts of the economic sector, and this is the basic strategy.

The final, I suppose, ingredient in the economic planning is, in fact, the clear Indian institutionalization and control that would be required. There are some Indian institutions identified on that chart and there would be probably others, if, in fact, it is going to be truly influenced by the Indian governmental economic policy of the day over the next period of time.

That basically is the economic planning. What needs to be said, I suppose, is that it is going on right now, but the shot in the arm that is needed, of course, is a direct federal-Indian fiscal arrangement that is different from the fragmented arrangement that Chief Sanderson has been describing in other parts of the presentation. I will leave it at that.

**The Chairman:** Okay. Thank you very much.

I take it, Chief Sanderson, that you have not read all of your submission into the record, so would you like us to append it?

**Chief Sanderson:** Mr. Chairman, just one more point on the presentation, before we go into that.

**The Chairman:** Yes, I will give you more time, but do you want us to append this?

**Chief Sanderson:** Yes, please.

**The Chairman:** And I guess we can append this chart also.

**The Clerk of the Committee:** I think we could.

**The Chairman:** Is it agreed that the submission and the political economic development plan, the chart . . .

**Chief Sanderson:** This is part of the appendix to that one you have in your left hand, Mr. Chairman.

**The Chairman:** Normally we keep this on file; we can append it, but we can keep associated publishing on file for members. Is it the wish of members to append this also?

**Mr. Herbert:** I think you would be setting a precedent if you were to start putting that type of material in. Otherwise . . .

[Traduction]

La stratégie de développement comporte trois volets fondamentaux: il y a d'abord le travail d'organisation nécessaire pour que les entités économiques soient prêtes à se lancer dans certains projets économiques de grande envergure; vient ensuite la réalisation de ces projets; les Indiens possèdent déjà en outre des ressources assez importantes, que ce soit sur le plan humain ou sur celui des ressources renouvelables et non renouvelables—et il y a comme de raison la possibilité d'accroissement de ces ressources.

Le tableau donne un aperçu des divers genres de projets et initiatives. Les priorités indiennes incluent des minéraux, du pétrole, du gaz et ainsi de suite. Elles doivent être mises en valeur et exploitées tout comme dans les autres composantes du secteur économique, et c'est là la stratégie fondamentale.

Je dirais que le dernier ingrédient de la planification économique serait de lui conférer une direction et un caractère vraiment indiens. Certaines institutions indiennes paraissent déjà dans ce tableau et il faudrait probablement en identifier d'autres si l'on veut vraiment que, pendant un certain temps, la situation reflète la politique économique du gouvernement envisagée par les Indiens.

Voilà l'essentiel de la planification économique. Il importe de dire qu'elle se poursuit présentement, mais le coup de pouce qu'il lui faut est une entente financière directe entre le gouvernement fédéral et les Indiens qui remplacerait les accords fragmentaires décrits par le chef Sanderson au cours de la présentation. Je vais m'en tenir à cela.

**Le président:** D'accord. Merci beaucoup.

Si je comprends bien, chef Sanderson, vous n'avez pas lu votre présentation au complet; aimeriez-vous qu'elle soit annexée au procès-verbal?

**Le chef Sanderson:** Monsieur le président, permettez-moi auparavant de faire une autre observation au sujet de ma présentation.

**Le président:** Oui, je vais vous accorder plus de temps, mais est-ce que vous voulez que ce texte soit imprimé en annexe?

**Le chef Sanderson:** Oui, s'il vous plaît.

**Le président:** Je suppose que nous pouvons aussi annexer ce tableau au procès-verbal.

**Le greffier du comité:** Je crois que c'est possible.

**Le président:** Êtes-vous d'accord pour que la présentation et le projet de développement politique et économique, le tableau . . .

**Le chef Sanderson:** Il s'agit là d'une partie de l'annexe du texte que vous avez dans votre main gauche, monsieur le président.

**Le président:** Nous conservons normalement ce genre de chose au dossier; nous pouvons l'annexer, mais nous pouvons conserver les textes connexes dans le dossier pour les membres du comité. Les membres du comité désirent-ils que ce document soit aussi imprimé en annexe?

**M. Herbert:** Je crois que l'inclusion de ce genre de document constituerait un précédent. Autrement . . .



[Text]

**The Chairman:** Normally publications that are not direct submissions we keep on file officially as documents of the committee. The only things we append to the proceedings, which are really the minutes of the committee, are the submissions.

**Chief Sanderson:** The reason why we do not separate moneys from the treaties, the constitution, and the Indian government is because, as far as we are concerned, they are all eggs in the same basket.

**The Chairman:** Yes, but I guess the important thing to us is your submission, and we have that on file. The important thing is the submission that you make to us, which, of course, refers to this plan.

**Chief Sanderson:** Mr. Chairman, it is the last part of our presentation that we want to speak to.

**The Chairman:** All right, but first of all, is it agreed that the submission and the chart be appended to our proceedings?

**Some hon. Members:** Agreed.

**The Chairman:** Chief Sanderson.

**Chief Sanderson:** I spoke to the treaty fiscal obligations and the constitutional legal obligations that are over and above that. We also want formally addressed, in any arrangements, the institutional areas with respect to the political and governmental developments as they relate to Indian government in Canada. You are having some formal arrangements entered into now with respect to local government powers and chiefs in council. We want to impress upon the committee, Mr. Chairman, that our chiefs in councils' powers are greater than that; they include those kinds of powers, but they are much greater than the possession of municipal power and responsibility for the community and its people. That is why it is very important that you also address that area.

• 1620

But just for the records, Mr. Chairman, I will outline now what is in our presentation.

There is an Appendix (A) which includes Saskatchewan All Chiefs' Resolution on Federal-Provincial Fiscal Arrangements but I am not going to read each of those.

**The Chairman:** They have all been appended.

**Chief Sanderson:** There is Appendix (B) which is Saskatchewan's All Chiefs Resolution on Resource Revenue Sharing; Appendix (D), which is a comprehensive political and economic development plan and includes the real jurisdictional responsibilities for Indian government reflected in clear and shared areas of jurisdiction as well as those for which the EPF committee is responsible. We also have in the appendix the agreement we signed with the Province of Saskatchewan with respect to the recognition of their responsibility for treaties of the Indian citizens of the Province of Saskatchewan. There is Appendix (C) which is a recognition, an entrenchment, of treaty and aboriginal rights of the Indian governments with the Canadian federation.

[Translation]

**Le président:** Normalement, les publications qui ne font pas directement partie de la présentation sont officiellement conservées au dossier comme documents du comité. Seules les présentations sont annexées au compte rendu des délibérations, qui constitue en réalité le procès-verbal du comité.

**Le chef Sanderson:** La raison pour laquelle nous ne distinguons pas entre les différentes sommes, qu'elles soient versées en vertu des traités ou de la constitution ou pour le gouvernement indien, c'est qu'à notre avis, elles constituent un fonds commun.

**Le président:** Oui, mais ce qui importe pour nous, c'est votre présentation et elle a été versée au dossier. Ce qui compte, c'est la présentation que vous nous faites qui, évidemment, traite de ce projet.

**Le chef Sanderson:** Monsieur le président, nous aimerions commenter la dernière partie de notre présentation.

**Le président:** D'accord, mais d'abord, est-ce qu'il est entendu que la présentation et le tableau seront annexés au compte rendu des délibérations?

**Des voix:** D'accord.

**Le président:** Chef Sanderson.

**Le chef Sanderson:** J'ai commenté les engagements financiers découlant des traités et les obligations supplémentaires en vertu de la constitution. Nous voulons aussi que tout accord reflète officiellement les institutions gouvernementales et la tradition politique qui sont propres au gouvernement indien au Canada. Des ententes officielles sont en voie d'être conclues en ce qui a trait aux pouvoirs des gouvernements locaux et aux chefs en conseil. Nous voulons que le comité comprenne, monsieur le président, que les pouvoirs de nos chefs en conseil incluent le pouvoir municipal et la responsabilité pour la collectivité, mais sont aussi beaucoup plus vastes que cela. C'est pourquoi il importe énormément que vous vous penchiez sur cette question.

Pour votre gouverne, monsieur le président, je vais maintenant résumer ce que contient notre présentation.

Il y a l'annexe (A) qui inclut la résolution de tous les chefs de la Saskatchewan sur les ententes financières fédérales-provinciales, mais je ne vais pas lire le texte au complet.

**Le président:** Tout cela figure en annexe.

**Le chef Sanderson:** Il y a l'annexe (B) qui est la résolution de tous les chefs de la Saskatchewan sur le partage des revenus des ressources; l'annexe (D) qui est un projet complet de développement politique et économique indiquant le partage réel des compétences entre les Indiens, le comité du FPE ainsi que les domaines où les compétences sont partagées. Cette annexe contient aussi l'entente conclue avec la province de Saskatchewan en ce qui a trait à la reconnaissance de sa responsabilité en vertu des traités conclus par les citoyens indiens de cette province. L'annexe (C) est la reconnaissance, l'enchâssement des droits inscrits dans les traités et des droits autochtones des gouvernements indiens dans la fédération canadienne.

**[Texte]**

The reason we feel strongly, Mr. Chairman, about these appendices is because they reflect in real terms the implementation of treaty. The treaties in Saskatchewan call for a confederate relationship that we feel can strengthen Canada and not take away from Canada. That includes our system of wanting to generate some of our own wealth. We think that is not that difficult. We do not expect it to be a difficult task in terms of being able to generate some of our own wealth, and surely, that is part of what the confederation is all about.

**An hon. member:** Quite so.

**The Chairman:** Thank you. Mr. Thacker, have you some questions?

**Mr. Thacker:** Thank you, Mr. Chairman. Chief Sanderson, I want to ask you first of all whether or not you feel that within the terms of our reference this task force should be making any recommendations or comments whatsoever with respect to the Indian people of Canada.

**Chief Sanderson:** Mr. Chairman, the presentation deals with the Canada-Indian fiscal relationship, and I think it is going to be up to the parliamentary committee to decide. We have said that we do not want to be included in the federal-provincial fiscal agreements; we want to be excluded. And that is our position with both the federal and provincial governments.

**Mr. Thacker:** I would like then to have you explain something perhaps a little further for the task force. I know coming from the west we are used to these concepts, but it may be a little different down here; I am not just sure. But as you gave the forward to the booklet (The First Nations: Indian Government in the Canadian Confederation), you talk about Indian people being a separate nation with self-determination and sovereign in every respect. Now I am wondering if, within that context, you see yourselves as having any aspect of being "Canadian" as I would understand it in the sense of having been born and raised here. Do Indian people see themselves as being Canadian even to the slightest degree, or is it totally a separate, sovereign, nationhood?

**Chief Sanderson:** That is a debate that I think we went through on the Constitution. As far as being Canadian is concerned, it depends on your definition of what a Canadian is. We reject, for example, that Canada is proposed to be founded on the French and English communities. The first nations of Canada are the Crees, the Bloods, the Shuswap, the Micmac and so on. That is what I was talking about, Mr. Chairman, in terms of the principles that we have to address with respect to Indian governments' presence.

• 1625

**Mr. Thacker:** If you talked to any non-Indian Canadian, I think they would on first blush say, well, Indian people are Canadian, just as I feel I am Canadian. I am trying to get you to explain to us how you see yourself as being essentially different from that. Do you see yourself as un-Canadian, as we would see an American just on the opposite side of the border? They are Americans; we see ourselves as being Canadians. Do

**[Traduction]**

La raison pour laquelle ces annexes sont importantes pour nous, monsieur le Président, c'est qu'elles sont l'expression de l'application des traités. Les traités en Saskatchewan demandent l'établissement d'un pacte confédéral qui, à notre avis, n'affaiblirait pas, mais renforcerait plutôt le Canada. Ce pacte incluerait des dispositions en vue de notre autofinancement partiel. Nous ne croyons pas que les difficultés soient insurmontables et nous croyons que l'autofinancement partiel est une partie essentielle de tout pacte confédéral.

**Une voix:** Évidemment.

**Le président:** Merci. Monsieur Thacker, vous avez des questions?

**M. Thacker:** Merci, monsieur le président. Chef Sanderson, d'après vous, le mandat de notre groupe de travail nous permet-il de formuler des recommandations ou de faire certaines observations au sujet des Indiens du Canada?

**Le chef Sanderson:** Monsieur le président, la présentation traite des accords financiers entre le Canada et les Indiens et je crois que la décision relève du Comité parlementaire. Nous avons dit que nous ne voulions pas être inclus dans les ententes financières fédérales-provinciales; nous voulons en être exclus. C'est ce que nous avons dit tant au gouvernement fédéral qu'aux provinces.

**M. Thacker:** J'aimerais que vous donniez quelques explications supplémentaires au groupe de travail. Ceux qui viennent de l'ouest sont habitués à cette façon de voir les choses, mais il n'en est peut-être pas tout à fait de même ici. Dans votre introduction à la brochure (Les Premières nations: gouvernement indien dans la confédération canadienne), vous dites de la population indienne qu'elle constitue une nation distincte qui a droit à l'autodétermination et qui est entièrement souveraine. Dans cette optique, vous considérez-vous «Canadien» dans le sens que vous êtes né ici et y avez passé votre vie. Les Indiens se considèrent-ils Canadiens dans une certaine mesure, aussi infime soit-elle, ou s'agit-il d'une nation tout à fait distincte et souveraine?

**Le chef Sanderson:** Nous avons déjà traité de cette question dans le cadre du débat sur la Constitution. Quant à savoir si nous sommes Canadiens, tout dépend de ce que vous entendez par Canadien. Nous rejetons, par exemple, l'idée d'un Canada composé des communautés française et anglaise. Les premières nations du Canada sont les Cris, les Gens-du-Sang, les Shuswaps, les Micmacs et ainsi de suite. C'est ce dont je parlais, monsieur le président, lorsque je parlais des principes qu'il faut reconnaître quant à la présence des gouvernements indiens.

**M. Thacker:** Si l'on parle à un Canadien qui n'est pas d'origine indienne, je crois qu'il dirait de prime abord que les Indiens sont des Canadiens, tout comme je crois que je suis Canadien. Je tente de vous faire expliquer de quelle façon vous vous considérez fondamentalement différent. Vous considérez-vous comme non-Canadien, tout comme le serait un Américain qui se trouve de l'autre côté de la frontière? Ils sont des



[Text]

you see yourself as being Indian and therefore different from Canadian in the same way that an American would?

**Chief Sanderson:** I think the issue of being Canadian is what this process is all about—this fiscal relationship, the constitutional process, the legislative process and so on. But what we are saying is that, if you want us to be part of Canada, then you had better start looking at some of our conditions that already exist under special agreement, under special legislation. The body of law that constitutes Canada provides for a special place for Indians in Canada and that is what is being ignored continuously.

**Mr. Thacker:** I agree that it is being ignored, but are we ignoring the fact that you are a separate nation wanting to enter into a confederal agreement?

**Chief Sanderson:** I said earlier that what our treaties in Saskatchewan related to was a confederate relationship that was never truly addressed after signing of treaty.

**Mr. Thacker:** So you do, then, in fact see yourselves as an entirely separate sovereign nation having to live within the borders of this continental land mass we call Canada.

**Chief Sanderson:** Do you understand the treaty articles?

**Mr. Thacker:** Yes, very well.

**Chief Sanderson:** Do you understand that the land that was reserved was land that was reserved by our forefathers for generations yet unborn, which means that the title was clearly Indian sovereign land? The title was not transferred under treaty to any other government. Therefore, the degree of sovereignty that exists there now is what should be determined by the Indian community, and the word "sovereignty" should not frighten anybody because that is what the struggle is with respect to the provinces and the federal government now.

**Mr. Thacker:** I am just wanting you to put it on the record if that is what your position is because out of that flow all the relationships, whether they are confederal or federal or whether they are a special group dealing with their Canadian government but still under the sovereignty of that Canadian government. That is what I am trying to get you to put on the record.

**Chief Sanderson:** That was part of the debate: there was the sovereignty question in terms of whether you are under the Canadian government or you form a confederate relationship under the Crown with the Canadian government. Those are the technical areas that have been avoided up until now.

**Mr. Thacker:** Do you see the Indian community in Canada coming up with its own position on that basic question within the new few weeks or months?

**Chief Sanderson:** We see the Indian communities coming up with the various institutional positions. The First Nations Assembly, for example, is one of many governmental institutions that the Indian community is going to be developing with respect to their governing institutions. The colleges that I explained to you are Indian-controlled educational institutions.

[Translation]

Américains; nous disons que nous sommes des Canadiens. Croyez-vous que le fait d'être Indien vous rend aussi différent d'un Canadien que le serait un Américain?

**Le chef Sanderson:** Je crois que ce dont nous débattons ici, c'est toute la question de notre identité canadienne—les liens financiers, le processus constitutionnel, les mesures législatives et ainsi de suite. Nous disons cependant que si vous voulez que nous fassions partie du Canada, il vous faut examiner certaines des conditions qui existent déjà en vertu d'ententes et de mesures législatives spéciales. La jurisprudence canadienne prévoit une place spéciale pour les Indiens au Canada et c'est ce dont on fait constamment fi.

**M. Thacker:** Je suis d'accord que l'on n'en tient pas compte, mais est-ce que nous oublions que vous êtes une nation distincte qui désire conclure une entente confédérale?

**Le chef Sanderson:** J'ai dit plus tôt que nos traités en Saskatchewan portaient sur un pacte confédéral dont on n'a vraiment plus discuté après la signature des traités.

**M. Thacker:** Il est donc vrai que vous considérez comme une nation souveraine entièrement distincte qui est forcée de vivre à l'intérieur de ce massif continental que nous appelons le Canada.

**Le chef Sanderson:** Comprenez-vous les articles des traités?

**M. Thacker:** Oui, très bien.

**Le chef Sanderson:** Comprenez-vous que les terres qui nous ont été réservées l'ont été par nos ancêtres pour les générations à venir, ce qui signifie que ces terres appartiennent aux Indiens à part entière? Les titres de propriété n'ont été transférés en vertu des traités à aucun autre gouvernement. C'est donc à la communauté indienne de déterminer le degré de souveraineté qui y existe présentement et le mot «souveraineté» ne devrait effrayer personne, puisque c'est là-dessus que porte le litige actuel entre les provinces et le gouvernement fédéral.

**M. Thacker:** Si c'est là votre opinion, je voulais tout simplement qu'elle soit inscrite au procès-verbal, parce que c'est de là que découlent toutes les relations, qu'elles soient confédérales ou fédérales ou qu'il s'agisse d'un groupe spécial qui s'adresse à son gouvernement canadien, mais qui continue de relever de ce gouvernement. C'est à ce sujet que je tente de vous faire prendre position.

**Le chef Sanderson:** Cette question faisait partie du débat: il y a la question de la souveraineté, quant à savoir si nous relevons du gouvernement canadien ou si nous avons avec le gouvernement canadien une relation confédérale sous la Couronne. La discussion n'a pas jusqu'à maintenant porté sur ces questions techniques.

**M. Thacker:** Croyez-vous que la communauté indienne au Canada va formuler sa propre position sur cette question fondamentale dans les quelques semaines ou mois à venir?

**Le chef Sanderson:** Nous croyons que les communautés indiennes vont formuler les positions de diverses institutions. L'Assemblée des premières nations, par exemple, est l'une des nombreuses institutions gouvernementales que la communauté indienne va mettre sur pied. Les collèges dont je vous ai parlé dont des établissements d'enseignement dirigés par des

## [Texte]

What your task is going to have to be is how you fit those kinds of institutions into the framework of Canada.

**Mr. Thacker:** If you take the position that you are sovereign and subject to the right of self-determination, do you see yourselves voluntarily withdrawing from old age security and the Canada Assistance Plan? Because, you see, that impacts on this committee here. Should we be taking the position that the Indian nation is sovereign and therefore we should be reallocating the moneys that we presently spend under old age security, family allowances and all of that to other purposes within our own nation and telling our Parliament to enter into a different confederal type of arrangement with your people?

• 1630

**Chief Sanderson:** That, Mr. Chairman, is part of the reason we are here: it is because we have been left out of many of those fiscal arrangements. It just so happens you took the wrong example, the old age pensioners' program.

Those are the kinds of specifics that we have to address with respect to Indian government and the delivery of services to Indians under treaty. What are your treaty obligations? Do you know what those are? What are your fiscal obligations under treaty as a federal government?

**Mr. Thacker:** Well, I am sure you are not asking me questions, but I can tell you that I am intimately familiar with Treaty No. 7 and there are obligations on both sides. Is it your position, then, that as two peoples we should just go back to that treaty and read the literal words of that treaty and we will live up to our side and you will live up to your side? Is that your position?

**Chief Sanderson:** No. Your own courts have accepted the oral interpretation and the letters and everything leading up to the articles of treaty. The spirit and the intent of treaty has been accepted, not just the literal interpretation of articles or words of treaty.

**Mr. Thacker:** Is that what you would like to have happen, though?

**Chief Sanderson:** What I would like to see happen is a federal Indian fiscal relationship addressed, based on the principles of Indian government. First of all, when we talk about Indian government, we have to be prepared to talk about the conditions or the principles that are governing the political autonomy. You say "Indian sovereignty", "Indian nationhood": What does that mean to you? I know what it means to me in real terms. I can spell out the degree of jurisdiction for that sovereignty, but can you address that? No, you cannot.

But those are some of the details that have to be worked through so that we understand, and what I am saying to you is that the proposed legislation for Indian government now, which is Indian municipalities, is totally unacceptable. Indian government includes that. It includes the legislative powers that a provincial government has. It also includes some of the

## [Traduction]

Indiens. Votre tâche sera de déterminer la place qu'occuperont ces institutions dans l'ensemble du Canada.

**M. Thacker:** Si vous êtes d'avis que vous êtes souverains et que vous avez droit à l'autodétermination, envisagez-vous de vous retirer volontairement de la pension de sécurité de la vieillesse et du Régime d'assistance publique du Canada? C'est une question qui a des répercussions sur notre comité. Notre attitude devrait-elle être que, puisque la nation indienne est souveraine, les sommes que nous lui versons présentement en vertu des régimes de sécurité de la vieillesse, des allocations familiales et autres devraient servir à d'autres fins au sein de notre propre nation et devrions-nous demander à notre Parlement de conclure une entente confédérale différente avec votre peuple?

**Le chef Sanderson:** Monsieur le président, c'est là une des raisons pour lesquelles nous sommes ici: un grand nombre de ces ententes financières ne s'appliquent pas à nous. L'exemple que vous avez utilisé, celui du régime des pensions de vieillesse, n'est tout simplement pas le bon.

C'est précisément sur des questions de ce genre qu'il nous faudra nous pencher en ce qui a trait au gouvernement indien et à la prestation de services aux Indiens en vertu des traités. A quoi les traités vous engagent-ils? Le savez-vous? Quels sont les engagements financiers que les traités imposent au gouvernement fédéral?

**M. Thacker:** Je suis certain que ce ne sont pas là des questions que vous me posez, mais je puis vous dire que je connais bien le traité n° 7 et qu'il comporte des engagements pour les deux parties. Êtes-vous d'avis que, comme nous sommes deux peuples, nous devrions de part et d'autre respecter ce traité à la lettre?

**Le chef Sanderson:** Non. Vos propres tribunaux ont accepté l'interprétation orale ainsi que les lettres et tout ce qui a précédé la rédaction des articles de traités. On a reconnu non seulement l'interprétation littérale des articles ou mots des traités, mais aussi l'esprit et l'intention dans lesquels ils ont été rédigés.

**M. Thacker:** C'est bien, toutefois, ce que vous voudriez qu'il se produise?

**Le chef Sanderson:** J'aimerais que l'on discute d'un accommodement financier fédéral-indien fondé sur les principes du gouvernement indien. Lorsqu'il s'agit de gouvernement indien, il faut que nous soyons prêts à parler des conditions ou principes qui régissent l'autonomie politique. Vous parlez de la «souveraineté indienne», de la «nation indienne»: qu'est-ce que ça veut dire pour vous? Je sais le sens réel qu'ont pour moi ces expressions. Je puis vous préciser le degré d'autonomie que représente cette souveraineté, mais vous ne pouvez pas le faire.

Il faut nous pencher sur certains de ces détails de façon que nous puissions comprendre, et je vous dis que le projet de loi qui ferait du gouvernement indien des municipalités indiennes est tout à fait inacceptable. Ce n'est là qu'une facette du gouvernement indien, qui inclut en outre les pouvoirs législatifs d'un gouvernement provincial et quelques-uns des pouvoirs



[Text]

legislative powers that the federal government has. I do not know if you realize that, but we have to address that.

**Mr. Thacker:** The last question that I think Chief Sanderson can put some light on for the committee is this. There was and probably still is the concept of all of the Indian people within Canada being considered to be like a separate province in a sense, even though it did not have a set geographic boundary to it. Is that concept still being discussed within the Indian community or has it been abandoned?

**Chief Sanderson:** One of the things you have to do is turn your system upside down, because you have too much power at this level. In our system we strengthen the Chief's office in the community and the band powers. We would spell out the division of powers of the band. Flowing from there would be the delegated powers of the chief and council to the district chiefs' councils to the regional and provincial chiefs' councils to the First Nations Assembly at the national level. You have to turn your system upside down.

We understand what we are saying when we talk about the delegated powers. You assume the supremacy of Parliament at this level once you are elected. We are elected, but we do not get supremacy; we get delegated powers with the kinds of institutions that we are talking about. Also, with respect to the treaties, when we talk about the Indian government political developments and political relationships, it should be impressed upon this committee that the treaties—like I said at the beginning—are economic agreements too, not just political agreements. They are economic agreements that deal in specific terms with renewable resources. For non-renewable resources they are silent.

**Mr. Thacker:** But you are talking about treaties Nos 6 and 7, particularly.

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**Chief Sanderson:** We are talking about Treaties Nos. 4, 5, 6, 8 and 10.

**Mr. Thacker:** Thank you, Mr. Chairman.

**The Vice-Chairman:** Mr. Blaikie.

**Mr. Blaikie:** Mr. Chairman, I wanted to ask a few questions. You were saying that the provinces claim now that native people are not included in EPF, in the established programs financing. I was not sure whether you were claiming that you thought you were.

**Chief Sanderson:** If you can find someone who can figure out that formula you use to allocate those funds—As far as we are concerned, we are included in those moneys allocated to the provinces, but in terms of services and legal responsibilities the provinces are saying that we are not included.

**Mr. Blaikie:** Is it the provinces—I am showing my own ignorance here now because I should know these things—or the federal government that is involved in . . . ? I thought it was the federal government that was involved, for instance, in the health care on the reserves. Is that right?

**Chief Sanderson:** To a degree. Are you familiar with the EPF funding structure? Okay, there is a lump sum transfer of

[Translation]

législatifs du gouvernement fédéral. Je ne sais pas si vous en êtes conscient, mais il faut que nous en discutons.

**M. Thacker:** Voici la dernière question qu'à mon avis, le chef Sanderson peut élucider quelque peu. On avait et on a probablement encore l'idée de considérer la population indienne du Canada comme une province distincte dans un certain sens, bien qu'elle n'ait pas de frontières géographiques précises. Cette idée fait-elle encore son chemin dans la communauté indienne ou l'a-t-on abandonnée?

**Le chef Sanderson:** Une des choses qu'il vous fait faire, c'est de renverser votre système, parce qu'il y a trop de pouvoir à ce palier-ci. Dans notre système, nous renforçons dans les communautés le bureau du chef et les pouvoirs de la bande que nous répartissons de façon précise. A partir de là, le chef et le conseil délèguent des pouvoirs aux conseils des chefs de district, puis aux conseils de chefs régionaux et provinciaux et enfin, au niveau national, à l'Assemblée des premières nations. Il vous faut renverser votre système.

Nous savons ce que nous entendons par pouvoirs délégués. Lorsque vous êtes élus, vous présumer qu'à ce palier-ci, le Parlement est suprême. Nous sommes élus, mais nous n'obtenons pas le suprême: avec le genre d'institutions dont nous parlons, nous obtenons des pouvoirs délégués. Relativement aux traités, lorsque nous parlons des réalisations et des liens politiques du gouvernement indien, il faut que vous compreniez bien que, comme je l'ai dit au début, les traités sont des accords économiques tout autant que politiques. Ce sont des ententes économiques qui traitent en termes précis des ressources renouvelables. Elles ne mentionnent pas les ressources non renouvelables.

**M. Thacker:** Vous parlez en particulier des traités nos 6 et 7.

**Le chef Sanderson:** Nous parlons des traités nos 4, 5, 6, 8 et 10.

**M. Thacker:** Merci, monsieur le Président.

**Le vice-président:** Monsieur Blaikie.

**M. Blaikie:** Monsieur le Président, je voulais poser quelques questions. D'après vous, les provinces seraient d'avis que le Financement des programmes établis, le FPE, n'inclut que les autochtones. Je n'étais pas certain que vous ayez dit que vous croyiez être inclus.

**Le chef Sanderson:** J'aimerais que vous trouviez quelqu'un qui puisse expliquer la formule que vous utilisez pour répartir ces fonds . . . D'après nous, nous sommes inclus dans les sommes qui sont versées aux provinces, mais les provinces disent qu'en ce qui a trait aux services et à la responsabilité juridique, nous sommes exclus.

**M. Blaikie:** Est-ce que ce sont les provinces—je montre mon ignorance, puisque ce sont là des choses que je devrais savoir—ou le gouvernement fédéral qui s'occupent . . . ? Je croyais, par exemple, que c'était du gouvernement fédéral que relevaient les soins de santé dans les réserves. N'est-ce pas le cas?

**Le chef Sanderson:** Jusqu'à un certain point. Connaissez-vous les modalités du Financement des programmes établis?

[Texte]

funds, or a block transfer of funds, to each province in those areas, health, education, social services. There are no conditions attached to the transfer of those funds with respect to how they are spent. What we have been trying to do is identify, federally and provincially, how those funds impact on our Indian people in the community, in the hospital, in our health clinics and so on with respect to the federal Department of National Health and Welfare's responsibility for Indians under treaty. Nobody has been able to tell us.

With respect to the whole field of social services, the Province of Saskatchewan does not provide services to us in the fields of health, education and social services. We do not, as Indians, accept provincial services in the Province of Saskatchewan.

**Mr. Blaikie:** Even in urban centers?

**Chief Sanderson:** Even in urban centers. We did not create the off-reserve Indians.

**Mr. Blaikie:** You are saying that the Indians in Regina do not receive provincial welfare, provincial social services or anything like that.

**Chief Sanderson:** That is a point of debate in the Province of Saskatchewan. We always have these . . .

**The Vice-Chairman:** Pardon me. Could you clarify that for us? You mean Indians who live on your reserves. But those who do not obviously do.

**Mr. Blaikie:** That is what I am trying to get at.

**Chief Sanderson:** No.

**The Vice-Chairman:** You are talking about status Indians, as defined in the act, who do not receive these.

**Chief Sanderson:** Registered and treaty Indians, yes.

**Mr. Loiselle:** Out of reserves.

**The Vice-Chairman:** All right. Indians as defined in the Indian Act and on the band lists, registered on the band lists.

**Mr. Blaikie:** What I am trying to get at is that it seems to me there is a kind of ball game going on between the federal government and the provincial government in terms of responsibility for the delivery and funding of social services, for instance, and also for health care. You are making an entirely different claim which transcends that federal-provincial feud and which I agree with, that is to say, that at least as far as reserves are concerned there ought to be direct, federal-Indian fiscal arrangements so that you can leave the province out of it altogether and have block funding to the bands. That would be the fiscal basis of Indian self-government, which sounds to me like an excellent idea.

What I am trying to get at is the so-called off-reserve Indian, the urban Indian. I am wondering how you would see Indian-Canada fiscal arrangements being designed in such a way as to permit native people themselves to provide services to native people in urban centers. How does that . . . ?

[Traduction]

Une somme globale est transférée à chacune des provinces dans les domaines de la santé, de l'éducation et des services sociaux. Ce transfert n'est assorti d'aucune condition quant à l'utilisation des fonds. Nous avons tenté de déterminer, sur les plans fédéral et provincial, l'effet qu'ont ces fonds sur la population indienne dans la communauté, dans les hôpitaux, dans nos cliniques de santé et ainsi de suite, en tenant compte de la responsabilité qu'a le ministère fédéral de la Santé nationale et du Bien-être social pour les Indiens en vertu des traités. Personne n'a pu nous le dire.

Nous ne bénéficions d'aucun service de la province de Saskatchewan dans les secteurs de la santé, de l'éducation et des services sociaux. A titre d'Indiens, nous n'acceptons pas les services de cette province.

**M. Blaikie:** Même dans les centres urbains?

**Le chef Sanderson:** Même dans les centres urbains. Nous n'avons pas créé les Indiens hors réserve.

**M. Blaikie:** Vous dites que les Indiens à Regina ne reçoivent pas les prestations de bien-être provinciales, ni ne bénéficient des services sociaux ou autres du genre offerts par la province.

**Le chef Sanderson:** Cette question fait l'objet d'un débat en Saskatchewan. Nous avons toujours ces . . .

**Le vice-président:** Un instant. Pourriez-vous préciser? Vous parlez d'Indiens qui vivent dans vos réserves, Ceux qui n'y vivent pas bénéficient évidemment de ces services.

**M. Blaikie:** C'est ce que je tente de déterminer.

**Le chef Sanderson:** Non.

**Le vice-président:** Vous parlez d'Indiens inscrits, comme les définit la loi, qui ne bénéficient pas de ces services.

**Le chef Sanderson:** Les Indiens inscrits et assujettis aux traités, oui.

**M. Loiselle:** A l'extérieur des réserves.

**Le vice président:** D'accord. Il s'agit d'Indiens selon la définition de la Loi sur les Indiens qui sont inscrits sur les listes des bandes.

**M. Blaikie:** Ce à quoi je tente d'en venir, c'est qu'il me semble que le gouvernement fédéral et le gouvernement provincial cherchent à se renvoyer la balle quant à la responsabilité pour la prestation et le financement des services sociaux, par exemple, et aussi pour les soins de santé. Vous allez au-delà de ce conflit fédéral-provincial et là-dessus, je suis d'accord avec vous; pour ce qui est des réserves, il devrait y avoir des accords financiers fédéraux-indiens directs de façon qu'une somme globale soit versée aux bandes sans que la province ait à s'en mêler. Ce serait là la base financière d'un gouvernement indien autonome et il me semble que c'est une excellente idée.

Ce qui me préoccupe, c'est ce que l'on appelle l'Indien hors réserve, celui qui demeure en ville. Je me demande comment, à votre avis, pourrait être conçu un accord financier entre les Indiens et le Canada qui permettrait aux autochtones eux-mêmes d'assurer des services aux autochtones dans les centres urbains. Comment cela . . . ?



[Text]

**Chief Sanderson:** Mr. Chairman, we are already addressing that area. It is not a problem as far as we are concerned. It is only by the Indian Act legislation that our powers of Chief-in-Council are restricted to reserve boundaries, and it is only by policy interpretation of government bureaucrats that there is such a thing as an off-reserve or on-reserve Indian. There is nothing funded legally for on-reserve, off-reserve Indians. Under treaty we have the extraterritorial jurisdiction for Indian people, no matter where they are, as leaders of our communities, and we are extending the Indian government powers into urban centers and into other municipalities, whether they be rural or urban, so that they cover the jurisdictional responsibility that is there for Indian government.

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What we are saying and what we are designing in the Province of Saskatchewan is what we call Treaty Area Administration Centres. They complement the Chief's office in the community on the reserve so that there can be this extended service to our people in the urban centre, no matter where they live, because under treaty we also have jurisdictional responsibility for resources in treaty territory, not just on reserve.

**Mr. Blaikie:** So this is already advanced to such an extent that it is possible to say that no Indian people in Saskatchewan who belong to a particular band and who are living in urban centres are receiving social services from the province as such.

**Chief Sanderson:** It is not advanced to that point, but it is certainly advanced to the point where we can address the jurisdictional disputes.

**Mr. Blaikie:** So you would want your Canada-Indian fiscal arrangements to reflect that expense, that is to say, not just what you are providing for your people on the reserve but also what you would be providing for them through this extension of your jurisdiction to urban centres.

**Chief Sanderson:** That is right. We want our fiscal relationship to spell out clearly what Canada's obligations are under treaty in all aspects in that way. But in addition to that we are negotiating with the Province of Saskatchewan a resource-sharing formula which will also impact on Indian developments.

**Mr. Blaikie:** As in so many other respects it seems that things are further advanced in Saskatchewan than in other provinces. I am not familiar with any similar arrangements or anything even near what you are talking about happening, for instance, in my home province of Manitoba. So the problem remains for other native people, urban native people, as to how the federal responsibility for all native people, in the absence of new arrangements such as you are describing, can be discharged.

It seems to me there is a certain justification—I wanted to get your opinion on this—in provincial claims that the federal government has been transferring its responsibility to the provinces just by default, through the migration of native people to urban centres, so that provinces are picking up more and more of the social services provided to native people. The

[Translation]

**Le chef Sanderson:** Monsieur le Président, nous discutons déjà de cette question. A notre avis, ce n'est pas un problème. Ce n'est qu'en vertu de la Loi sur les Indiens que les pouvoirs des chefs en conseil sont limités aux frontières de la réserve, et ce n'est qu'en raison de l'interprétation de la politique par les bureaucrates du gouvernement qu'on parle d'Indiens à l'intérieur ou à l'extérieur de la réserve; ce concept n'a pas de base juridique. D'après les traités, les Indiens hors de nos territoires, où qu'ils puissent être, relèvent de nous qui sommes les dirigeants de nos communautés; les pouvoirs du gouvernement indien s'étendent aux centres urbains et aux autres municipalités, qu'elles soient rurales ou urbaines.

Nous sommes en voie de concevoir en Saskatchewan ce que nous appelons des Centres régionaux d'administration des traités. Ils sont dans la réserve un complément au bureau du chef, de façon que nous puissions assurer des services aux Indiens dans les centres urbains, quel que soit l'endroit où ils vivent, parce que les traités nous confèrent aussi la compétence sur les ressources dans le territoire assujéti au traité et non pas seulement dans la réserve.

**M. Blaikie:** On est donc déjà rendu au point où il est possible de dire qu'en Saskatchewan, aucun Indien vivant dans un centre urbain et appartenant à une bande particulière ne bénéficie des services sociaux de la province.

**Le chef Sanderson:** Nous n'en sommes pas encore là, mais nous avons suffisamment progressé pour pouvoir traiter des conflits de compétence.

**M. Blaikie:** Vous voudriez donc que l'entente financière entre les Indiens et le Canada englobe les frais, non seulement pour les services que vous assurez dans la réserve, mais aussi pour les services supplémentaires qu'il vous faudrait assurer si votre secteur de compétence incluait les centres urbains.

**Le chef Sanderson:** C'est exact. Nous voulons que dans tous les cas, l'accord financier indique clairement de cette façon ce que sont les engagements du Canada en vertu des traités. Nous négocions en outre avec la province de Saskatchewan une formule de partage des ressources qui aura des répercussions sur les entreprises indiennes.

**M. Blaikie:** Il semble qu'encre là, comme dans beaucoup d'autres domaines, la Saskatchewan soit en avance sur les autres provinces. Par exemple, dans ma propre province, le Manitoba, je ne suis pas au courant d'accords qui ressemblent, de près ou de loin, à ce dont vous parlez. Pour les autres autochtones qui demeurent dans les villes, il reste donc encore à déterminer comment le gouvernement fédéral peut s'acquitter de sa responsabilité à l'endroit de tous les autochtones, en l'absence d'ententes comme celle que vous avez décrite.

Il semble qu'il y ait une part de vérité—j'aimerais savoir ce que vous en pensez—lorsque les provinces affirment qu'elles doivent par défaut assumer la responsabilité du gouvernement fédéral, en raison de la migration des autochtones vers les centres urbains, de sorte qu'une part de plus en plus grande des services sociaux aux autochtones est assuré par les provinces.

**[Texte]**

federal government is still providing to the provinces under a formula which assumes a certain level of services and does not take into account the migration into urban centres which comes about as a result of the bad northern economic development that destroys the lifestyle of native people and has social and economic impacts on their communities, et cetera.

So what do you suggest be done in the meantime, and "in the meantime" is certainly not intended in any way to delay what you are suggesting. There are other provinces in which what you are talking about is not half as close to reality. Do you have any ideas?

**Chief Sanderson:** With respect to that, Mr. Chairman, there is an interim measure that can be implemented tomorrow before I return to Saskatchewan.

**Mr. Blaikie:** We will see what we can do.

**Chief Sanderson:** The EPF funding arrangements allow for a transfer of funds now, through the office of the Minister of Indian Affairs and Northern Development, to the Northwest Territories and to the Yukon Council, redirecting EPF funding in that way. We have no reason to believe that this could not be done for what we are requesting now, pending the termination of the existing agreement, that there could be an immediate transfer of funds with the consent of the provinces because of the fact that the agreement is already signed and already in existence for another year. There could be an immediate transfer of funds from the federal government provincial treasury with respect to the EPF funding arrangements now.

**Mr. Blaikie:** Is there EPF money going through a federal department?

**Chief Sanderson:** That is what happens with the territorial council now.

**Mr. Blaikie:** It was my understanding that this was block funding to the provinces.

**Chief Sanderson:** What we are saying is that with the legislative powers which are there and the authority which is there you do not have to bother about that; you do not have to be concerned with that. The example is already there for us to transfer funds now.

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**Mr. Blenkarn:** Sol could you tell us what happens when a man is in hospital. Who pays the hospital bills?

**Chief Sanderson:** We do.

**Mr. Blaikie:** If somebody is admitted to hospital in Regina, for instance, it is up to you . . .

**Chief Sanderson:** There is a transfer of funds from the EPF arrangements for medicare coverage with the provincial government, but we also have in existence, for example, in hospitals, transfer of capital funds for Indian beds. Did you ever hear of an Indian bed, an Indian desk, a native desk?

**[Traduction]**

Les transferts du gouvernement fédéral aux provinces sont encore effectués en vertu d'une formule qui présume un certain niveau de services et ne tient pas compte de la migration vers les centres urbains; cette migration résulte de mauvais programmes de développement économique dans le Nord qui détruisent le mode de vie des autochtones et ont des répercussions économiques et sociales sur leurs communautés, et ainsi de suite.

Quelles sont à votre avis les mesures «provisoires» qui devraient être prises, et par là je n'entends aucunement qu'il faille retarder l'adoption de vos propositions. Il y a d'autres provinces où ce dont vous parlez est loin d'être aussi près d'être réalisé. Avez-vous des idées à exprimer?

**Le chef Sanderson:** A ce sujet, monsieur le président, il y a une mesure provisoire qui peut être appliquée demain avant que je ne retourne en Saskatchewan.

**M. Blaikie:** Nous allons voir ce que nous pouvons faire.

**Le chef Sanderson:** Le régime de Financement des programmes établis prévoit déjà le transfert de fonds aux Territoires du Nord-Ouest et au Conseil du Yukon par l'entremise du bureau du ministère des Affaires indiennes et du Nord. Nous n'avons pas de raison de croire qu'il serait impossible de procéder de cette façon pour ce que nous demandons maintenant, en attendant qu'expire l'entente actuelle; avec le consentement des provinces, un transfert de fonds pourrait être effectué immédiatement puisque l'entente a déjà été conclue et qu'elle est valable pour une autre année. Les accords actuels de Financement des programmes établis permettraient un transfert immédiat des fonds du gouvernement fédéral destinés aux provinces.

**M. Blaikie:** Y a-t-il des fonds de FPE qui passent par un ministère fédéral?

**Le chef Sanderson:** C'est ce qui se produit présentement dans le cas du conseil territorial.

**M. Blaikie:** Je croyais qu'il s'agissait de sommes globales versées aux provinces.

**Le chef Sanderson:** Nous disons qu'avec les pouvoirs législatifs et l'autorité qui existent présentement, vous n'avez pas à vous préoccuper de cela. Les fonds peuvent être transférés dès maintenant.

**M. Blenkarn:** Pourriez-vous me dire ce qui se passe lorsqu'un individu se trouve à l'hôpital? Qui paie les factures d'hospitalisation?

**Le chef Sanderson:** C'est nous.

**M. Blaikie:** Si quelqu'un est hospitalisé à Regina, il vous incombe de . . .

**Le chef Sanderson:** En vertu des ententes relatives au FPE conclues avec le gouvernement des provinces, celles-ci reçoivent des fonds au titre du régime d'assurance-maladie. Mais il existe également un programme de transfert de fonds au titre de l'hospitalisation des autochtones. Vous n'avez jamais



[Text]

**Mr. Blenkarn:** You have got me there, Sol.

If an Indian is admitted to a Regina hospital, does that Indian pay the bill or does the Department of Indian Affairs and Northern Development pay the Saskatchewan hospital commission, or does the Saskatchewan hospital commission absorb that?

**Chief Sanderson:** The Department of National Health and Welfare.

**Mr. Blenkarn:** It is Saskatchewan medicare, right?

**Chief Sanderson:** Yes.

**Mr. Blenkarn:** Does Saskatchewan medicare pick up the shot or does the Department of Indian Affairs and Northern Development pay Saskatchewan for that Indian in hospital all over again?

**Chief Sanderson:** It is billed to the Department of National Health and Welfare.

**Mr. Blenkarn:** As a separate bill on top of what . . .

**Chief Sanderson:** In many cases, yes. The province of Saskatchewan cannot tell us to what level they are supporting Indian services.

**Mr. Blenkarn:** Well, they are getting EPF funding based on the total population of the province, including all of the Indians who happen to be in the province.

**Chief Sanderson:** The thing he was talking about earlier was passing the buck. They literally pass the buck . . .

**Mr. Blenkarn:** It sounds to me like they get paid the buck twice.

**Chief Sanderson:** . . . not only with funds but also with jurisdictional responsibility.

**The Chairman:** Could Mr. Haney or somebody on the staff clear up the question of the statutory authority for EPF funding going to the territories? Mr. Sanderson was saying that the money presumably could be diverted to Indian bands in the same way, but my recollection of the fiscal arrangements act provides for the territories specifically. The precedent may be good . . .

**Chief Sanderson:** Through the Minister of Indian Affairs and Northern Development.

**The Chairman:** Yes, but specifically for the Yukon Territory and the Northwest Territories. Now, the precedent may be good . . .

**Chief Sanderson:** Similarly, under the Indian Act jurisdiction that the minister has. There is no other arrangement; it is the same legal statutory responsibility that the minister has for Indians.

**The Chairman:** Mr. Haney.

**Mr. Haney:** The Minister of Indian Affairs and Northern Development has in effect two portfolios; one with respect to

[Translation]

entendu parler des lits destinés aux Indiens, des bureaux destinés aux Indiens?

**M. Blenkarn:** Vous me posez une colle.

Si un Indien est hospitalisé à Regina, doit-il payer lui-même les frais d'hôpitaux, le ministère des Affaires indiennes et du Nord rembourse-t-il la Saskatchewan Hospital Commission, ou encore celle-ci assume-t-elle la totalité des coûts?

**Le chef Sanderson:** C'est le ministère de la Santé nationale et du Bien-être social qui s'en charge.

**M. Blenkarn:** Il existe bien un régime d'assurance-maladie dans la Saskatchewan, n'est-ce pas?

**Le chef Sanderson:** Oui.

**M. Blenkarn:** Est-ce que le régime d'assurance-maladie de la Saskatchewan couvre ces frais d'hospitalisation ou bien est-ce que le ministère des Affaires indiennes et du Nord défraie la province de Saskatchewan?

**M. Sanderson:** Ces coûts sont facturés au ministère de la Santé nationale et du Bien-être social.

**M. Blenkarn:** Il s'agit d'une facture séparée qui s'ajoute . . .

**Le chef Sanderson:** C'est souvent le cas, en effet. La province de la Saskatchewan ne peut pas nous dire dans quelle mesure les services offerts aux autochtones sont subventionnés.

**M. Blenkarn:** Les fonds octroyés à la province au titre du financement des programmes établis sont calculés en fonction de l'ensemble de la population de la province, y compris les autochtones.

**Le chef Sanderson:** Je pense qu'il s'agit d'un rejet des responsabilités. C'est littéralement ce qui se passe.

**M. Blenkarn:** J'ai l'impression qu'elle bénéficie doublement des paiements.

**Le chef Sanderson:** Pas seulement des paiements. Elle doit également assumer une responsabilité supplémentaire au plan des compétences.

**Le président:** M. Haney ou l'un de ses collaborateurs pourrait-il nous dire si les autorisations statutaires prévues aux termes du financement des programmes établis s'appliquent également aux Territoires? M. Sanderson dit que ces fonds peuvent être octroyés de la même façon aux bandes indiennes, mais je crois me rappeler que les accords fiscaux contiennent des dispositions spéciales pour les Territoires. Il peut s'agir d'un précédent intéressant . . .

**Le chef Sanderson:** Par le biais du ministre des Affaires indiennes et du Nord.

**Le président:** Oui, mais plus particulièrement pour le Territoire du Yukon et les Territoires du Nord-Ouest. Il peut s'agir d'un précédent intéressant . . .

**Le chef Sanderson:** De la même façon, le ministre est responsable des autochtones en vertu de la Loi sur les Indiens. Il n'existe pas d'autre entente.

**Le président:** M. Haney.

**M. Haney:** Le ministre des Affaires indiennes et du Nord est en fait chargé de deux portefeuilles: l'un concerne les

[Texte]

his responsibilities for Indians and one for the territorial governments in the development of the territories. You may very well be right that it is a simple matter to make that switch. I just do not know.

**Mr. A. R. Dobell:** I think the argument has to be that a precedent exists for this kind of a transfer. I am quite sure there is not provision in the act at present to make a transfer of the same kind along the lines of the precedent established in the transfer to the territories; that provision does not now exist to make such a transfer. Would that not be correct?

**The Chairman:** Mr. Blaikie, are you through with your questioning? Mr. Loiselle.

**Mr. Loiselle:** Thank you, Mr. Chairman. I think, Chief Sanderson, that perhaps the first step that could be taken would be to put all the money spent by each department of the federal government into one pot and after that to establish a budget review for a longer period than exists at the present time. I think the main problem you have right now is that there is no way for you to establish priorities. You cannot say how much money will be spent for education, for housing, for development. When you talk about your self-government, it is probably because in Saskatchewan you have a better structure than some other places in Canada. Do you feel that you, along with your chiefs, your council and so on, would like to be able to establish your own priorities and needs of your people?

• 1650

**Chief Sanderson:** Yes, that is one of the objectives of a proposed Canada-Saskatchewan Indian resources fund. To achieve that objective, we have to sit down and negotiate and look at those conditions under treaty that are going to bind the federal government to its fiscal obligations under treaties, plus its legal constitutional responsibility for Indians.

**Mr. Loiselle:** I agree. What is under action to just clarify the obligation on both sides, as my colleague was asking? What are the Indian people of Canada and the government doing to find the right definition of the obligations and the rights of both sides; the obligation of the Canadian government for Indian people and . . .

**Chief Sanderson:** In Saskatchewan we believe in processes that are orderly. Thursday, when I return to Saskatchewan, our executive council and some of our chiefs are meeting with Premier Blakeney and his full cabinet to review the year's agenda with respect to these developments and other developments. There is a parliamentary legislative committee that we meet with every three months to address the jurisdictional matters that impact on our people.

What we are saying is that federally there has to be a number of institutionalized processes whereby we can achieve the same thing federally. We see some immediate things that can be done, for example, the EPF, and I gave you an example of the pipeline legislation where the minister responsible for the pipeline can draw in sources from any federal department at any time without consent, without anything, just that he has

[Traduction]

autochtones et l'autre les administrations territoriales, pour ce qui est de la mise en valeur des territoires. Vous avez peut-être raison. Ces transferts peuvent peut-être se faire tout simplement. Je l'ignore.

**M. A. R. Dobell:** Je pense qu'il faut démontrer l'existence d'un précédent pour ce genre de transfert. Je sais qu'il n'y a aucune disposition en ce sens dans la présente loi, mais il existe un précédent pour ce qui est des territoires. Quoi qu'il en soit, la présente loi ne contient aucune disposition autorisant ce transfert. N'est-ce pas exact?

**Le président:** Monsieur Blaikie, en avez-vous terminé avec vos questions? M. Loiselle.

**M. Loiselle:** Merci, monsieur le président. Monsieur Sanderson, on pourrait peut-être regrouper tous les fonds dépensés par chacun des ministères du gouvernement fédéral et réviser le budget pour une période plus longue que ce n'est le cas pour le moment. Je crois que vous avez beaucoup de difficulté à établir une liste de priorités. Vous ignorez quel sera le budget affecté à l'enseignement, au logement et au développement. Vous parlez de votre auto-gouvernement, c'est sans doute que vous êtes beaucoup mieux organisés dans la Saskatchewan qu'ailleurs au Canada. Pouvez-vous me dire si vos chefs, vos conseils de bandes et vous-même êtes en mesure de définir vos besoins et d'établir vos priorités?

**Le chef Sanderson:** C'est justement l'un des objectifs du Fonds de ressources autochtones Canada-Saskatchewan que nous proposons. Néanmoins, pour atteindre cet objectif, nous devons tenir compte des conditions prévues par les traités et négocier avec le gouvernement fédéral qui est tenu d'honorer ses obligations fiscales ainsi que ses responsabilités constitutionnelles à l'égard des Indiens.

**M. Loiselle:** D'accord. Comme mon collègue, je voudrais savoir quelles mesures ont été prises pour définir les obligations des deux parties en cause? Que font les autochtones du Canada d'une part et le gouvernement d'autre part afin de définir avec précision leurs obligations et droits réciproques? Le gouvernement canadien a certaines obligations vis-à-vis des autochtones et . . .

**Le chef Sanderson:** Dans la Saskatchewan, nous estimons que les choses doivent se faire de façon méthodique. Jeudi, après mon retour, notre conseil exécutif et plusieurs chefs doivent rencontrer le premier ministre Blakeney et tous les membres de son cabinet afin de réviser l'échéancier des projets prévus pour cette année. Nous comparaissons également tous les trois mois devant un comité parlementaire provincial afin d'étudier les questions de compétence qui touchent les autochtones.

Nous aimerions que les mêmes procédures institutionnelles existent également au niveau fédéral. Certaines mesures peuvent être prises dans l'immédiat, pour ce qui est par exemple du financement des programmes établis. Je vous ai cité une loi relative au pipe-line en vertu de laquelle le ministre responsable du pipe-line peut débloquer des fonds du ministère fédéral sans avoir à obtenir d'autorisation préalable tout simplement



*[Text]*

a mandate to build the bloody pipeline and do whatever he has to do. So what happens in that situation? What we are saying is, let us establish the basic principles, design the same legislation and do it tomorrow, not three years from now, not five years from now. We would also like to be involved in the longer term planning through a parliamentary task force mandated to look at Canada-Indian fiscal relations.

**Mr. Loiselle:** Chief Sanderson, if it could happen tomorrow, if we were to have a law at the federal level saying that there is just one place, one structure, administering money for Indian people, where you would not have to knock anymore at the door of the Secretary of State, Health and Welfare, you name it, and to go along the line you have in mind, what would your relationship be after that if Indian people, an Indian structure, were in charge of health services, education services, social services, development services . . .

**Chief Sanderson:** With respect to that, we would see a reduction of Indian desks in government. We would see a federal trust centre established at the federal level, at the provincial level, and at the local level right on the reserve. The chiefs are making decisions just like you are every day, but who do they have to deal with? A band management officer with no authority who has to send the band council resolutions through 111 different desks before it gets approved. We are in the 1980s. In our government trust centres, we should have at least the authority of an ADM out there at the reserve level dealing with the chiefs, not a band management officer, not a program director. Right now we are just overregulated.

**Mr. Loiselle:** Okay. If this scheme were to happen tomorrow or say within a year, what would the relationship be between the Indian people of Saskatchewan and the government of the province?

**Chief Sanderson:** In that resource-sharing resolution you will see a number of specific areas that we are negotiating with the province with respect to resource sharing. We signed an agreement with the Province of Saskatchewan to recognize the treaties and to recognize and deal with the political rights of Indians. Flowing from that there will be a series of other agreements. There will be the resource-sharing agreement; the taxing area where for example we told the province to get right out of the Indian taxing jurisdiction whether we are on or off reserve, that the province has no powers, no jurisdiction and no responsibility for us, that that is an Indian government responsibility.

• 1655

The resource taxing powers: We want both the feds and the province to get out of the Indian resource taxing area. We want our bands to have that power to tax that resource. But because we want that power, that does not mean that you do not have any fiscal obligations federally under treaty. You still

*[Translation]*

parce qu'il a reçu pour mandat de construire ce fichu pipe-line. Que se passe-t-il dans cette situation? Nous demandons seulement ceci: permettez-nous d'établir les principes de base, d'élaborer une loi similaire et ce, dès demain, pas dans trois ou cinq ans. Nous aimerions également participer à la planification à long terme en collaboration avec un groupe de travail parlementaire, qui serait chargé d'étudier les relations fiscales des autochtones et du gouvernement du Canada.

**M. Loiselle:** Monsieur Sanderson, si une loi fédérale était promulguée demain en vertu de laquelle la gestion des fonds destinés aux autochtones ne releverait que d'une seule instance, vous n'auriez plus à frapper à la porte du Secrétariat d'État, du ministère de la Santé et du Bien-être et d'autres. Quel serait le rôle des autochtones si l'administration des services médicaux, pédagogiques, sociaux et enfin des services en matière de développement était confiée à des autochtones?

**Le chef Sanderson:** Je pense qu'il y aurait moins de fonctionnaires autochtones au sein du gouvernement fédéral. Nous aimerions qu'un fonds de fiducie soit établi au niveau fédéral, au niveau provincial et au niveau local, c'est-à-dire dans les réserves. Toute comme vous, les chefs de bandes doivent prendre des décisions quotidiennement. Malheureusement, ils sont obligés de traiter avec un agent responsable de la gestion des bandes lequel n'a aucune autorité et doit communiquer les résolutions prises par le conseil de bandes à 111 fonctionnaires différents avant que celles-ci soient approuvées. Nous sommes en 1981. En ce qui concerne ces fonds de fiducie gouvernementaux, nous devrions avoir au moins les mêmes pouvoirs qu'un sous-ministre adjoint et traiter avec les chefs dans les réserves. Nous ne voulons pas avoir affaire à un fonctionnaire responsable de la gestion des bandes ou à un directeur de programme. Pour le moment, nous sommes soumis à une sur-réglementation.

**M. Loiselle:** Bon. Si un programme semblable était adopté demain ou disons d'ici un an, quels rapports les autochtones de la Saskatchewan entretiendraient-ils avec le gouvernement de la province?

**Le chef Sanderson:** En vue de conclure une résolution sur le partage des ressources, nous sommes déjà en train de négocier de nombreux points avec le gouvernement de la province. Nous avons signé une entente avec la province de la Saskatchewan au sujet des droits politiques des autochtones et de la reconnaissance des traités. Une série de nouvelles ententes doivent en découler. Une entente sur le partage des ressources sera conclue. En ce qui concerne l'imposition des ressources, nous avons demandé à la province de ne plus s'occuper des impôts des autochtones, qu'ils résident ou non dans des réserves. Il s'agit d'une responsabilité qui relève du gouvernement autochtone et la province n'a aucun pouvoir, aucune compétence et aucune responsabilité à cet égard.

Pour ce qui est de l'imposition des ressources des autochtones, nous ne voulons plus que le gouvernement fédéral ou celui de la province s'en occupe. Nous voulons que nos bandes soient compétentes. Cela ne dispense pas le gouvernement fédéral des obligations fiscales qu'il a à l'égard des Indiens en vertu des

**[Texte]**

have very clear areas of fiscal obligations because the treaty has spelled that out. When you got access for settlement in the province of Saskatchewan for the land base, for example, there was a specific treaty formula that was set aside for Indians, one for the Métis people and one for the settlers. The settlers formula was 160 acres per person plus he could get 420 acres under the Homesteads Act. Under that formula there was 30 million acres set aside from the time we signed the treaty until 1930 for the settler. That was a conditional settlement. We were to share in the economics of the communities of those lands. We were to have right of access to those lands for hunting, fishing, trapping and so on. Those are the aspects of the treaty that have been ignored.

The Métis people of Saskatchewan accumulated 5.7 million acres because they had a similar formula except they got scrip for land rights. For the Indian people in the Province of Saskatchewan we got, under that formula, 128 acres per person, or 640 acres per family of five. From the time we signed the treaty until 1930 we had accumulated 1.5 million acres of land under Indian control. Of that, speculators and government stole back 416,000 acres. So we now have just over 1 million acres of land. Surely the governments, both federal and provincial, can fulfil their obligations under treaty to complete the treaty process and get those resource lands and those other lands in place. This will amount to about 8 or 9 million acres of land. I do not know if you realize it, but you set aside more land for the animals in the national park then you did for the Indians of Saskatchewan.

So, to get back to those fundamentals of the resource-sharing formulas under treaty. We are asking the Province of Saskatchewan to clearly spell out what their treaty obligations are and if by the National Resources Transfer Agreement of 1930 they accept its specific responsibilities under treaty. We are now working out those details, and if they want us to be citizens of Saskatchewan then they had better spell out to us, in dollars and cents, what it means to be citizens of Saskatchewan.

**Mr. Loiselle:** Thank you.

**The Chairman:** Thank you very much, Chief Sanderson, for your testimony. It is certainly very interesting. As you realize, some of the things that you raise are beyond the scope of our mandate, but that does not stop us from reflecting on your submission and on your recommendations, and I assure you that we will. Thank you very much.

**Chief Sanderson:** Thank you very much for your time.

**The Chairman:** We will now proceed with our next witnesses from the Canadian Union of Public Employees. We received a copy of their brief this morning—perhaps before but I saw it this morning.

I would ask the representatives from the Canadian Union of Public Employees to please come forward to the table. Mr. Gil Levine, National Research Director. We have received a copy of the submission from CUPE.

**[Traduction]**

traités. Les traités définissent de façon très claire les obligations fiscales du gouvernement fédéral. Lors de la colonisation des terres de la Saskatchewan, des conditions précises ont été stipulées par traité à l'égard des Indiens, des Métis et des colons. Ces derniers avaient droit à 160 acres par personne auxquelles pouvaient s'ajouter 420 acres de plus en vertu de la Homesteads Act (Loi sur les exploitations agricoles). Entre la date de la signature du traité et l'année 1930, 30 millions d'acres ont été remises aux colons. Il s'agissait cependant d'une colonisation conditionnelle, c'est-à-dire que nous étions censés participer à la mise en valeur de ces terres. Nous devrions avoir le droit d'y accéder pour chasser, pêcher et faire du piégeage. Ces dispositions des traités ont été ignorées.

Les Métis de la Saskatchewan, quant à eux, ont réussi à s'approprier 5.7 millions d'acres. Ils ont bénéficié d'une formule similaire, sauf qu'on leur a accordé des titres fonciers provisoires. Les autochtones de la province de la Saskatchewan, eux, ont reçu 128 acres par personne, soit 640 acres par famille de cinq personnes. Entre la date de la signature du traité et l'année 1930, 1.5 million d'acres de terre ont été placées sous contrôle indien. En réalité, les spéculateurs et le gouvernement nous ont repris 416,000 acres. Il ne nous reste donc actuellement qu'un peu plus de 1 million d'acres. Nous pensons que les gouvernements fédéral et provinciaux doivent honorer leurs obligations et respecter les traités, c'est-à-dire remettre de l'ordre dans la répartition des terres et des ressources qui reviennent aux autochtones. Cela représente environ 8 à 9 millions d'acres. Je ne sais pas si vous réalisez qu'en Saskatchewan, la surface des parcs nationaux réservés aux animaux est plus grande que celle des terres destinées aux Indiens.

Pour en revenir aux aspects fondamentaux des ententes de partage des ressources prévu par les traités, nous demandons à la province de Saskatchewan de définir clairement ses obligations et de nous dire si elle accepte les responsabilités qui lui ont été confiées aux termes de l'entente sur le transfert des ressources naturelles de 1930. Nous sommes en train d'étudier la question en détail et si la Saskatchewan souhaite que nous restions ses citoyens, elle ferait mieux de nous expliquer, chiffres à l'appui, ce que cela signifie.

**M. Loiselle:** Merci.

**Le président:** Merci beaucoup, monsieur Sanderson. Votre témoignage est extrêmement intéressant. Vous réalisez sans doute que certaines des questions que vous avez soulevées ne relèvent pas de notre mandat, mais cela ne nous empêche pas de réfléchir à ce que vous nous avez dit et recommandé, et je vous assure que nous le ferons. Merci beaucoup.

**Le chef Sanderson:** Merci beaucoup.

**Le président:** Nous passons aux témoins suivants qui représentent le Syndicat canadien de la Fonction publique. Nous avons reçu ce matin un exemplaire de leur rapport. Nous l'avons peut-être reçu avant, mais j'en ai pris connaissance ce matin.

Je demanderais aux représentants du Syndicat canadien de la Fonction publique de s'approcher de la table. M. Gil Levine, directeur national de la recherche. Nous avons reçu un exemplaire du rapport du SCFP.



[Text]

• 1700

Mr. Levine, we have a procedure by which we can append your submission to our Minutes of Proceedings and Evidence. Therefore, it is not necessary for you to read all of it for it to be on the record officially. Is it agreed that the submission from the Canian Union of Public Employees be appended to today's proceedings?

**Some hon. Members:** Agreed.

**The Chairman:** Mr. Levine, if you wish, would you introduce the other two witnesses you have with you please. You can then give us a summary of your presentation and then we will go on to questioning.

Mr. Levine.

**Mr. Gil Levine (National Research Director, Canadian Union of Public Employees):** Thank you very much, Mr. Chairman.

The other two members of our delegation are John Calvert from the CUPE research department, and Gene Errington.

You have a copy of our brief and what we would like to do is take approximately 15 minutes to summarize some of the highlights of it. The brief is about 50 or 60 pages long and we do not want to take up all our time reading it.

By way of background, Mr. Chairman, CUPE is a national organization with 275,000 members. Our members are employed primarily in municipal government, education institutions, hospitals, electrical utilities, nursing homes, social services, day care and so on.

From that list you can see that we are the providers of many of the services which it appears the federal government now wants to cut. But we are also consumers of these same services and we are very much affected by whatever decision the federal government makes on the grants to the provinces.

We will avoid going over some of the material that has already been presented by other groups. We have been following your proceedings and we do not want to repeat what has already been done.

First, I want to discuss with you the mandate that was given to the task force. In effect, you have been asked to recommend where cuts should be made—the cuts in financial grants to the provinces. Unfortunately, the terms of reference do not ask you if these cuts should be made. In effect, you have been put in the position of a jury for someone charged with murder and you are being asked if he should be sentenced to die by hanging or have his head chopped off. No one has asked if the person being charged is, in fact, guilty. If we can continue the analogy, unfortunately the assumption is made that the social programs which are heading for the chopping block, that these are the programs that are causing the economic ills in Canada. In our opinion they are definitely not the cause of our economic ills. As far as we are concerned since they are not the cause, they should not be cut.

[Translation]

Monsieur Levine, nous pouvons demander que votre rapport soit annexé au procès-verbal de notre réunion d'aujourd'hui. Il n'est donc pas nécessaire que vous le lisiez dans sa totalité. Il sera automatiquement porté au compte rendu. Est-ce que vous êtes d'accord pour que le rapport du Syndicat canadien de la Fonction publique soit annexé au procès-verbal de la réunion d'aujourd'hui.

**Des voix:** D'accord.

**Le président:** Monsieur Levine, pourriez-vous s'il vous plaît nous présenter vos deux collaborateurs. Vous pourrez ensuite nous résumer votre exposé avant de passer aux questions.

M. Levine.

**M. Gil Levine (directeur national de la recherche, Syndicat canadien de la Fonction publique):** Merci beaucoup, monsieur le président.

Les deux autres membres de notre délégation sont M. John Calvert du Département de la recherche du SCFP, et M. Gene Errington.

Vous avez reçu un exemplaire de notre rapport et nous aimerions en résumer les faits saillants en 15 minutes environ. Il s'agit d'un rapport de 50 à 60 pages et il est donc inutile de passer tout notre temps à le lire.

Je voudrais rappeler, monsieur le président, que le SCFP est un organisme national qui regroupe 275,000 adhérents. Ceux-ci sont essentiellement employés dans les administrations municipales, les établissements d'enseignement, les hôpitaux, les compagnies fournisseuses d'électricité, les maisons de repos, les services sociaux, les garderies, etc.

Comme vous en doutez, bon nombre de ces services sont touchés par les restrictions que le gouvernement fédéral veut imposer. Mais nous sommes par ailleurs les bénéficiaires de ces mêmes services et c'est pour cette raison que nous sommes concernés par toute décision que le gouvernement fédéral prendra au sujet des subventions accordées aux provinces.

Nous éviterons de revenir sur ce qui vous a déjà été dit. Nous avons suivi de près vos délibérations et nous n'avons pas l'intention de répéter ce que vous savez déjà.

Tout d'abord, nous aimerions discuter du mandat qui a été confié au groupe de travail. On vous a demandé de faire des recommandations sur les secteurs pouvant faire l'objet de réductions, à savoir les subventions accordées aux provinces. Malheureusement, vous n'êtes pas tenus de dire si oui ou non ces réductions ont lieu d'être. Vous êtes un peu comme un jury à qui l'on demanderait de décider si un individu accusé de meurtre doit être pendu ou bien décapité. Personne n'a cherché à savoir si l'accusé est réellement coupable. Si vous me permettez de garder cette analogie, je dirais que malheureusement la décision de décapiter les programmes sociaux est fondée sur l'hypothèse qu'ils sont à l'origine du malaise économique que traverse le Canada. Selon nous, ce n'est absolument pas le cas et nous pensons qu'il n'y a aucune raison de les réduire.

**[Texte]**

By restricting the terms of reference to where cuts are to be made, I think the government has forced this committee, in effect, to engineer a conflict among the supporters of various programs. In other words, what this task force tends to do is to get the supporters of medicare to say that the cuts should be made in welfare programs, and it wants proponents of hospitalization to say that the cuts should be made somewhere else—in postsecondary education, or it wants advocates of education programs to argue that cuts should be made in medicare. What it has done, in effect, is pit one group against another and I think that is an unfortunate outcome of the terms of reference that this task force has been given.

By restricting the debate as to how the \$1.5 billion in expenditure cuts will be allocated in the next two fiscal years, it appears that the government hopes to divert attention from its basic economic and social policies. It has also attempted to stifle questions concerning whether the cuts are in fact necessary in the first place.

CUPE would like to express, in the strongest terms, its fundamental opposition to the way in which the government has tried to stifle the debate on these important issues by limiting the mandate of the committee to this narrow range of questions on which programs should be cut. We believe the issue of social spending cuts cannot be discussed in isolation from the broader economic and political questions associated with the over-all priorities of the government. Indeed, it is our view that the implementation of the cuts will have a devastating effect on the well-being of millions of Canadians and that in fact the cuts will serve no useful economic purpose.

• 1705

For that reason, we do not intend to limit our comments to the questions of how medical or educational or social service cuts should be dismantled. Rather, we intend to comment on the wider implications of the government's policies and to point out how adversely these cuts would affect ordinary Canadians.

So at the outset our first recommendation to you, Mr. Chairman, is that you inform the powers which gave you the mandate that that mandate is not a proper one, and you should ask for the restoration of those cuts and maybe look for the expansion of certain programs.

For the rest of our presentation I am going to turn it over to John Calvert, who is going to give you our proposals on why this should be.

**Mr. John Calvert (Researcher, Canadian Union of Public Employees):** Thank you, Mr. Chairman.

I would like just briefly to outline our view of why it is we do not feel these cuts should be implemented. We know, of course, that the mandate for the cuts arose in the October budget of Allan MacEachen, who said that social spending would have to be cut back to provide funds for economic development and in fact also for other areas, such as defence. One of the reasons put forward at that time to justify these

**[Traduction]**

En confiant à ce groupe de travail le mandat précis de définir les secteurs pouvant faire l'objet de réductions, je crois que le gouvernement a voulu provoquer un conflit entre les défenseurs des différents programmes. En d'autres termes, ce groupe de travail a essayé de faire dire aux défenseurs de l'assurance-maladie que ce sont les programmes de bien-être social qu'il faut réduire, aux défenseurs de l'assurance-hospitalisation que ce sont les programmes d'enseignement postsecondaire, ou encore aux défenseurs de ces derniers que ce sont les programmes d'assurance-maladie. Cela a eu pour effet de dresser les différents groupes les uns contre les autres, ce qui est malheureux.

En limitant le débat sur la question de savoir comment le 1.5 milliard de dollars obtenu grâce aux réductions serait utilisé au cours des deux prochaines années financières, il semble que le gouvernement souhaite détourner l'attention du public de ses politiques économiques et sociales fondamentales. Il a également essayé d'étouffer toutes les questions visant à contester le bien-fondé de ces réductions.

Le Syndicat canadien de la Fonction publique s'oppose fermement à la façon dont le gouvernement a essayé d'étouffer le débat sur ces questions importantes en limitant le mandat de ce comité à l'étude des programmes devant faire l'objet de réductions. On ne peut pas débattre de la réduction des programmes sociaux sans l'inscrire dans un contexte économique et politique plus vaste et sans parler des priorités globales du gouvernement. Nous pensons que l'application de ces mesures nuira au bien-être de plusieurs millions de Canadiens et qu'elles n'auront aucun avantage économique.

C'est pour cette raison que nous n'avons pas l'intention de limiter nos observations à la suppression de certains services médicaux, pédagogiques ou sociaux. Au contraire, nous entendons discuter des applications plus larges de ces politiques gouvernementales et de la façon dont elles vont toucher tous les Canadiens.

Pour commencer, nous aimerions vous recommander, monsieur le Président, de dire à ceux qui vous ont confié votre mandat que ce mandat n'est pas satisfaisant. Vous devriez demander le rétablissement des programmes supprimés et peut-être même l'expansion de certains d'entre eux.

Pour le reste de notre exposé, je voudrais donner la parole à John Calvert qui vous expliquera la raison d'être de notre position.

**M. John Calvert (rechercheur, Syndicat canadien de la Fonction publique):** Merci, monsieur le président.

Je voudrais vous expliquer brièvement pour quelles raisons nous pensons que ces réductions de programmes ne doivent pas s'appliquer. Nous savons, bien sûr, qu'elles sont les conséquences du budget présenté en octobre par M. Allan MacEachen. Il a en effet annoncé que les dépenses sociales devraient être réduites afin de favoriser d'autres secteurs, comme le développement économique et la défense. Le déficit du gouvernement



*[Text]*

cuts in social spending programs was the size of the government deficit.

We do not think you can look at the size of the government deficit without asking why it is that the government has put itself in the situation it is not confronting. We think the causes of the federal government's deficit lie not in the fact that social programs have gone out of control, as is often alleged, but rather in the fact that it has been making a number of mistakes in policies, particularly mistakes in the area of taxation, mistakes in the area of expenditures, tax expenditures particularly, and in other areas. I would like to go briefly through some of these areas where we think the government should not have been cutting back in its revenue collection.

The first is the fact that corporate taxation has fallen quite substantially since World War II. If we look back to 1947, we find that 23 per cent of the federal government's revenue came from corporate taxes. The figure in 1980 was 16 per cent. This is a 29 per cent reduction in the share of federal government revenues paid by corporations. Personal income taxes have risen accordingly, partly as a result of this.

We have calculated that if corporate tax rates were at the level they were at 30 years ago, we would have an additional \$3.5 billion in federal government revenue this year. That is far more than the amount of cuts, the amount of money Allan MacEachen is attempting to save in his budget. It would obviously pay for the cost of all the programs being subjected to the axe right now.

Another reason for the government's deficit is the adoption of monetarist economic policies since 1975. We have had a government which has been intent on deflating the economy in its misguided approach towards fighting inflation. Aside from the enormous cost to the working people of this country as a result of this policy, through higher unemployment and lost production, the following of such a policy has also reduced federal government revenues substantially through taxes not collected. It has also increased demands on government programs, particularly the UIC program, and has encouraged more welfare spending as well, because of the deflationary economic policies being followed.

Another factor which has reduced the government's share of revenue has been the fact that the government implemented wage controls in 1975. Real incomes fell by between 5 and 6 per cent between 1975 and today, and as a result taxation has fallen accordingly. Despite the fact that corporate profits rose dramatically—and we have tables in our brief to show this—largely as a result of wage controls, the amount of revenue collected from the corporations through taxation did not rise to anywhere near the extent to which the government lost revenue through the fact that real incomes fell.

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Another area where the government has failed to ensure that its revenues were adequate is the area of the expansion of tax expenditure since 1972. A study was released by the

*[Translation]*

a été l'une des raisons invoquées pour justifier la réduction des programmes sociaux.

Avant de dénoncer l'ampleur du déficit gouvernemental, il faudrait se demander pourquoi le gouvernement se trouve dans une telle situation. Le déficit du gouvernement fédéral ne vient pas du fait que les programmes sociaux ont pris des proportions incontrôlables, comme on le prétend souvent. C'est plutôt que le gouvernement a fait un certain nombre d'erreurs dans ses politiques et ses dépenses, et dans ses politiques fiscales entre autres. Nous aimerions énumérer les secteurs dans lesquels les recettes fiscales du gouvernement ont diminué.

Tout d'abord, le taux d'imposition des sociétés a considérablement diminué depuis la deuxième guerre mondiale. En 1947, 23 p. 100 des recettes fiscales du gouvernement fédéral provenaient de l'impôt sur les sociétés. En 1980, ce chiffre n'était plus que 16 p. 100. Cela signifie que la part des recettes fiscales du gouvernement fédéral provenant de l'impôt sur les sociétés a diminué de 29 p. 100 ce qui a provoqué l'augmentation de l'impôt sur le revenu des particuliers.

Nous avons calculé que si le taux d'imposition des sociétés avait gardé un niveau comparable à ce qu'il était il y a 30 ans, les recettes fiscales du gouvernement fédéral compteraient cette année 3.5 milliards de dollars de plus. Cela représente beaucoup plus que l'ensemble des restrictions budgétaires décrétées par Allan MacEachen, et permettrait évidemment d'assumer le coût de tous les programmes qu'il est aujourd'hui question de supprimer.

L'adoption de politiques monétaristes depuis 1975 constitue une autre raison du déficit gouvernemental. Afin de lutter contre l'inflation, notre gouvernement a choisi d'appliquer des mesures déflationnistes. Mis à part le coût énorme que cela représente pour les travailleurs de ce pays, c'est-à-dire augmentation du chômage et perte de la productivité, une telle politique déflationniste a également eu pour effet de réduire les recettes fiscales du gouvernement fédéral. En outre, la demande de programmes gouvernementaux, comme celui de l'assurance-chômage s'est trouvée accrue, de même que les dépenses au titre des programmes sociaux.

On peut également imputer la perte de recettes gouvernementales à l'adoption en 1975 d'une politique de contrôle des salaires. Les salaires réels ont diminué de 5 à 6 p. 100 entre 1975 et 1981, et par conséquent, les recettes fiscales ont diminué d'autant. En raison du contrôle des salaires, les profits des sociétés ont augmenté de façon considérable, comme l'indiquent les tableaux contenus dans notre rapport, alors que le montant des recettes fiscales provenant de l'impôt sur les sociétés n'a pas permis de compenser la perte de recettes fiscales du gouvernement due à la chute des salaires réels.

Le déficit gouvernemental s'explique également en partie par l'adoption depuis 1972 de nouvelles mesures de dégrèvement fiscal. Une étude publiée par le ministère des Finances

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Finance Department last year which indicated that over billion in 1979 alone was lost through a wide range of tax expenditures introduced since 1972. There has also been a substantial increase in subsidies to the private sector under the guise of economic development. We have had new forms of forgivable loan programs. We have had all sorts of economic aid programs. A publication was put out by the federal government about a year ago which listed about \$6 billion worth of federal hand-outs to corporations in 1978. There has also been a failure to tax the corporate sector, which clearly could support an increase in taxation, and I am speaking specifically of areas such as banking, the insurance industry, the resource sector, and so on. There has been a clear failure of government to collect a fair share of taxation from these areas.

I do not think the problems of our economy, then, stem from excess spending, as is often alleged, in the social welfare sector. Rather, they stem from the failure of the government to collect adequate revenues from the private sector or to manage the economy appropriately. Cutting social expenditures will not solve the problems we have in our economy, nor will it solve the problems of the federal government's deficit. I think a good example of that, an illustration of that, is exactly what has happened in Great Britain. We see where Margaret Thatcher has cut public spending dramatically, with the result that they have unemployment at 2.5 million and falling industrial production. Every year since she has been in power, industrial output has gone down and bankruptcies have increased. It is quite clear that cutting public expenditure and cutting social expenditure have not led to the economic miracle the monetarists predicted in that country. Rather, it has merely deflated the economy and brought about a situation which has many parallels to the 1930s. I do not think we need to repeat that kind of policy here.

I also think one of the problems the federal government has been dealing with and has been arguing about in the imbalance of federal-provincial spending is in part a result of its own policies, particularly in 1977, when the Established Programs Financing arrangements were renegotiated. The basic purpose, from the viewpoint of the federal government, was to reduce its cost-sharing arrangement, which at that time was 50:50. In its efforts to do that, it was prepared to give the provinces much more control over spending. In other words, the federal government opened the door to abuses. In our brief on the table there, which I will not go through, we have shown how the federal government has reduced its share of expenditures in this area as a result of renegotiating, and at the same time it has opened the door to major abuses on the part of the provinces. We do not agree the provinces should have been cutting in any of these areas. We think they should have maintained their share. At the same time, we do not feel this is any kind of an excuse for the federal government to use to justify further cutbacks on its part.

*[Traduction]*

l'année dernière révèle un manque à gagner de plus de 14 milliards de dollars pour l'année 1979 seulement, lequel est dû à l'adoption depuis 1972 d'un grand nombre de mesures d'allègement fiscal. D'autre part, sous prétexte de favoriser le développement économique, le gouvernement a décidé d'octroyer de nouvelles subventions au secteur privé. Des programmes de prêt à remboursement conditionnel ont été mis en place ainsi que toutes sortes de programmes d'aide économique. Il y a environ un an, le gouvernement fédéral a publié un rapport qui contient l'énumération des subventions accordées aux sociétés en 1978, pour un montant total de 6 milliards de dollars. Le gouvernement a également décidé de ne pas relever le taux d'imposition de certaines entreprises qui pourraient payer des taxes plus lourdes, et je veux parler en particulier des banques, des compagnies d'assurances, des entreprises basées sur l'exploitation des ressources, et ceaterra. Les impôts perçus par le gouvernement dans ce secteur ne sont pas suffisants.

Par conséquent, je ne crois pas que les maux de notre économie soient imputables comme on le prétend souvent aux dépenses excessives effectuées au titre des programmes sociaux. Ils résultent plutôt du fait que le gouvernement n'a ni réussi à imposer suffisamment le secteur privé ni à gérer l'économie comme il convient. La réduction des dépenses sociales ne règlera pas les problèmes de l'économie canadienne et ne comblera pas le déficit du gouvernement fédéral. Ce qui s'est passé en Grande-Bretagne est très significatif à cet égard. Bien que Margaret Thatcher ait décidé de réduire considérablement les dépenses publiques, le chômage n'en touche pas moins 2.5 millions de personnes et la production industrielle a diminué. Depuis l'arrivée au pouvoir de M<sup>me</sup> Thatcher, la production industrielle a diminué chaque année et le nombre des faillites a augmenté. Il est évident que la réduction des dépenses publiques et sociales n'a pas donné lieu au miracle économique prôné par tous les monétaristes de ce pays. Au contraire, ces mesures ont eu un effet déflationniste sur l'économie et la situation actuelle peut se comparer à celle des années 30. Il est inutile que nous répétions ce genre d'expérience au Canada.

Quant au déséquilibre des dépenses fédérales-provinciales, il est partiellement le résultat des politiques adoptées par le gouvernement fédéral lui-même, et en particulier de la renégociation en 1977 des ententes sur le financement des programmes établis. Alors que le gouvernement fédéral était censé assumer 50 p. 100 du coût des programmes, il a néanmoins cherché à réduire sa contribution. Il a par conséquent davantage de pouvoirs aux provinces en matière de dépenses. En d'autres termes, le gouvernement fédéral a ouvert la porte à toutes sortes d'abus. Notre rapport explique comment la renégociation a permis au gouvernement fédéral de réduire sa contribution, tout en ouvrant la porte à des abus importants de la part des provinces. Nous pensons que les provinces n'auraient pas dû accepter de réduire leurs dépenses dans ces domaines. Elles auraient dû continuer à payer leur part. En même temps, il est inadmissible que le gouvernement fédéral invoque ce prétexte pour justifier des réductions supplémentaires de sa part.



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The impact of the federal government's cutback programs is going to be quite dramatic. Obviously there is going to be a major loss of jobs. This is going to exacerbate unemployment; it is going to exacerbate regional disparities; it is going to lead to a waste of important skills and skills which are not going to be used in the private sector. For example, where are people like nursing aids going to find jobs of equivalent characteristics in the private sector? The same with social workers. There is a whole range of public-sector workers who will be laid off as a result of these cutbacks, and there is no obvious place for them to be employed in the private sector. What it will lead to, then, is a waste of skills and talents. As I indicated earlier, the cost of supporting unemployment will grow, not just in economic terms but also in the social costs of unemployment.

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Turning to some specific areas, we have outlined in our brief, in some detail, the history of medicare and how it was established, plus a hospital insurance system. It is clear that the federal government, in the nineteen sixties particularly, recognized that the only way we could have a national program with national standards was for it to intervene and provide the leadership and the finance that was necessary to set up this system.

Now the system by no means is perfect, and we have had many criticisms about it, some of which are in the brief, but there is no doubt that the establishment of hospitalization, medicare, the extended health care, has done a great deal to improve the lot of ordinary Canadians, particularly working Canadians. But by the mid nineteen seventies the situation had changed and the federal government had decided, at least in our view, that it was much more interested in cost cutting than it was in preserving the standards of medicare and of hospitalization. That is when EPF was renegotiated, and that is when the provinces began to cut back very dramatically on their contributions. Also, and as a result of the renegotiations, we have had a major increase in other abuses of the health system. We have had an increase in user fees, of opting out, extra billing and increases in hospital insurance premiums in the three provinces which levy hospital insurance premiums.

We would refer you to a study by Professor Brown of the University of Calgary, who points out quite clearly that, at the time EPF was renegotiated, health care costs were not out of control, and that was the basic argument which the federal government had used at that time; rather, the federal government was interested more in cutting back its over-all spending and mainly to divert resources back to the private sector through economic development.

We have also pointed out that the federal government has made very little attempt to ensure that many health care needs of Canadians have been adequately dealt with. For example, the whole area of preventative health care has not been properly addressed. There was some discussion at one point a number of years ago about the establishment of community health centres. Unfortunately, this idea has never been fully implemented. We feel it is very important that, rather than to

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Les conséquences des réductions de programmes décrétées par le gouvernement fédéral vont être désastreuses: diminution importante des emplois, chômage aigu, disparités régionales exacerbées, gaspillage d'expertise et de talents qui ne pourront pas être récupérés par le secteur privé. Par exemple, comment les aides-infirmières pourraient-elles trouver des emplois équivalents dans le secteur privé? Et les travailleurs sociaux? Ces compressions vont entraîner la mise à pied d'un grand nombre d'employés du secteur public et il leur sera difficile de se recaser dans le privé. Il y aura donc un gaspillage de talents et d'expertise. Comme je l'ai dit plus tôt, le coût de l'assurance-chômage va augmenter considérablement et il faut y ajouter les coûts sociaux du chômage.

Pour aborder un point précis, nous avons décrit en détail dans notre rapport l'évolution et la mise en place du régime d'assurance-maladie et du régime d'assurance-hospitalisation. Dans les années 1960 en particulier, le gouvernement fédéral c'est rendu compte qu'il lui incombait de lancer et de financer ces régimes afin de doter le Canada d'un programme national et uniformisé en matière de soins médicaux.

Ce système est loin d'être parfait et il a fait l'objet de nombreuses critiques, dont vous retrouverez certaines dans notre rapport. Néanmoins, l'adoption de programmes de soins hospitaliers, médicaux et complémentaires a permis d'améliorer le sort des Canadiens en général, et de ceux qui travaillent en particulier. La situation a malheureusement changé vers le milieu des années 1970 et nous avons l'impression que le gouvernement fédéral a jugé plus intéressant de réduire plutôt que de maintenir les programmes de soins médicaux et hospitaliers. Le financement des programmes établis a donc été renégoié et c'est alors que les provinces ont décidé de restreindre leur contribution. La renégociation du FPE a provoqué une recrudescence des abus dans le domaine des soins médicaux: augmentation des coûts facturés au patient, augmentation des désaffiliations, facturations supplémentaires et accroissement des primes d'assurance-hospitalisation dans les trois provinces qui perçoivent ces primes.

Nous aimerions vous citer une étude effectuée par le professeur Brown de l'Université de Calgary. Lors de la renégociation du FPE, les coûts des soins médicaux n'avaient pas atteint des proportions incontrôlables comme l'a prétendu à l'époque le gouvernement fédéral. C'est plutôt que celui-ci s'intéressait davantage à réduire ses dépenses générales et à relancer le développement économique en abandonnant certains domaines au secteur privé.

Nous avons également souligné que le gouvernement fédéral n'a pas fait grand-chose pour s'assurer que les nombreux besoins des Canadiens en matière de santé étaient satisfaits. Par exemple, la question des soins préventifs n'a jamais été étudiée à fond. On a vaguement parlé il y a quelques années de la création de centres de santé communautaires. Malheureusement, ce concept ne s'est jamais vraiment concrétisé. Au lieu de réduire les programmes de soins médicaux et hospitaliers,

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cut back on medicare and hospital care, we should look at some of these other areas, these gaps, which have not been properly addressed yet. We need to spend our time considering how to ensure that the health care system in Canada is improved rather than dismantled.

We would also point out that we still do not have a proper dental care system in this country. Many Canadians are being denied proper dental treatment because they cannot afford it. This problem is not being covered at all by the private sector. Only 25 per cent of families are covered by private sector dental plans, primarily through collective agreements negotiated, and these private plans, by and large, are still very inadequate anyway. Again, we have documented how that is in our brief.

The extended health care sector remains inadequate. In 1977, the federal government established a \$20 per capita grant system for extended health care, but it did not establish a requirement that the provinces match this funding. As a result, we have a nursing home situation in this country which is really a national scandal. The standards of care for old people in nursing homes across the country are just a national shame. So, again, instead of looking at how to dismantle these services, we should be looking at the pressing needs of people such as old Canadians who do need nursing home treatment and who are not getting it. That is where we should be concentrating our efforts.

Another area which is still not dealt with properly, again under the extended health care arrangements, is that of drug coverage. The coverage that exists is very inadequate and, again, there is a major need there that needs to be addressed.

Now, turning to post-secondary education, we have heard that this may well be the major area that will be cut back. We have already indicated that we have no sympathy whatsoever with the idea of cutting back on post-secondary education. We would point out, however, that many provinces have already instituted major cutbacks in this area. You have had a submission from the Canadian Association of University Teachers and from the National Union of Students and other interested groups, and they have documented to you many of the specific cutbacks and the problems and hardships in this sector. We do not intend to repeat what has been said by those groups but we would endorse the fact that the post-secondary sector has already been reeling from major fiscal strangulation, and the cuts that are proposed by Allan MacEachen will only exacerbate this situation.

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We would also like to point out that standards of post-secondary education in community colleges have been falling and, again, we think that what the committee should do is to look at how to improve standards rather than to talk about reducing funding which will certainly erode them even further.

Now the arguments to justify or to support maintaining an adequate system of post-secondary education I think are fairly

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nous pensons qu'il vaudrait mieux chercher à combler ces lacunes. C'est à l'amélioration du système des soins médicaux au Canada qu'il faut réfléchir plutôt qu'à son démantèlement.

Il faut également rappeler qu'il n'existe pas dans notre pays de régime de soins dentaires satisfaisant. Pour beaucoup de Canadiens, des soins dentaires convenables constituent un luxe inabordable. Le secteur privé ne s'occupe pas du tout de ce problème. Vingt-cinq p. 100 seulement des familles canadiennes sont couvertes par un régime privé d'assurance-soins dentaires. Ces régimes sont souvent négociés dans le cadre des conventions collectives et de façon générale ils sont loin d'être suffisants. Vous trouverez des précisions sur ce point dans notre rapport.

Pour ce qui est des soins complémentaires, la situation n'est pas brillante. En 1977, le gouvernement fédéral a décidé de créer une subvention de \$20 par personne au titre des soins complémentaires, sans exiger que les provinces en fassent autant. Par conséquent, la situation des maisons de repos au Canada est véritablement un scandale. Les soins dispensés aux personnes âgées dans les maisons de repos sont une honte pour notre pays. Au lieu de chercher à démanteler les services existants, nous ferions mieux de nous pencher sur les besoins urgents des personnes âgées qui devraient pouvoir être soignées comme il le faut dans des maisons de repos, ce qui n'est pas le cas. C'est là-dessus que nous devrions concentrer tous nos efforts.

Toujours au chapitre des soins complémentaires, le remboursement des médicaments continue d'être un problème. Les mesures de remboursement sont insuffisantes et il est nécessaire que nous regardions la situation en face.

Passons maintenant aux programmes d'enseignement postsecondaire. Apparemment, ce sont les plus menacés. Nous avons déjà dit que nous n'approuvons pas le principe de la réduction des programmes d'enseignement postsecondaire. Cependant, nous aimerions indiquer que de nombreuses provinces ont déjà pris des mesures en ce sens. Vous avez reçu le rapport de l'Association canadienne des professeurs d'université et celui de l'Union nationale des étudiants. D'autres groupes intéressés vous ont également donné la liste des réductions imposées dans ce secteur avec les problèmes et les difficultés que cela pose. Nous n'avons pas l'intention de répéter ce qui vous a déjà été dit, mais il est vrai que le secteur postsecondaire a déjà été soumis à de graves restrictions et que les réductions proposées par Allan MacEachen ne feront qu'exacerber la situation.

Nous aimerions également rappeler que le niveau a baissé pour ce qui est de l'enseignement postsecondaire dans les collèges communautaires, et votre comité devrait plutôt réfléchir sur la façon de relever ce niveau, plutôt que sur les moyens de réduire le financement de l'enseignement, ce qui ne fera que dégrader davantage encore la situation.

Les arguments en faveur du maintien d'un système d'enseignement postsecondaire satisfaisant nous semblent évidents.



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clear. The first is quite an obvious point and is that education, especially at the post-secondary level, is a necessary component of any civilized society. We would refer you to the statement by the Economic Council of Canada in this regard. We would also point out that post-secondary education does have a major impact on economic growth. It does provide very important training for needed job skills especially in new areas. We have, for example, the development of computers and a lot of advanced technology, and it is important that our university system and our community colleges are able to train people and develop expertise in these areas.

We also recognize that the whole area of research and development is very important and, again, cutbacks will have a major impact in dismantling much of what has been done in this area. We would point out that in the area of research and development, the private sector has failed miserably to develop the kind of programs that are necessary. The public sector has been the backbone of the development of research and development programs in this country, so to slash funding for research and development at the post-secondary level will, in effect, be slashing funding for all research and development.

As with the health care sector, cutbacks will result in a waste of skills, the growth of unemployment and particularly unemployment among women, because many, many, of the people who work in post-secondary institutions, as is the case in hospitals, are women workers. It will exacerbate regional disparities and provide fewer educational opportunities for all Canadians.

Now we acknowledge that there are many problems with the post-secondary education system. There is a problem of accessibility, of elitism, of inadequate facilities for workers who wish to go back to school; there is a need for a provision for minority groups, and so on. But the solution to these problems is not to cut back funding.

We have one more area we would like to look at briefly and that is the question of what is happening at the municipal level of government. As you know, municipalities have a large responsibility for providing personal social services. They receive right now approximately one half of their revenues through transfers from other levels of government, and they are in a situation where they are suffering a fiscal squeeze. The one source of independent revenue that municipalities have, the property tax, is highly regressive and there are clear limits on the extent to which municipalities can raise the property tax to pay for services. Nonetheless, the services provided at this level are very important: social welfare provisions for the disabled, for the elderly, for the handicapped, and so on. Municipal governments also provide provisions for day care.

In our view these provisions have never been adequately funded and, certainly, when we compare the level of social services provided in Canada with many countries in Western Europe the inadequacies of our system are quite apparent. Again, what we see as being important is not to dismantle further the system of municipal social services, but rather to

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Tout d'abord, l'enseignement en général et au niveau postsecondaire en particulier est une composante nécessaire à toute société civilisée. Nous vous renvoyons d'ailleurs à la déclaration faite à ce sujet par le Conseil économique du Canada. D'autre part, l'enseignement postsecondaire a une incidence capitale sur la croissance économique d'un pays. En effet, c'est dans des établissements d'enseignement postsecondaire que l'on forme les spécialistes dont on a besoin, et en particulier dans des domaines nouveaux, comme l'informatique et la technologie de pointe. Il est donc important que nos universités et nos collèges communautaires soient capables de former des experts dans ces domaines.

La recherche et le développement ont également une importance capitale et les restrictions budgétaires imposées risquent de réduire à néant ce qui a déjà été fait. Le secteur privé ne fait pas grand-chose en matière de recherche et de développement et ce domaine repose donc entièrement sur le secteur public. Réduire le budget de la recherche et du développement au niveau postsecondaire, c'est porter un coup à l'ensemble de la recherche et du développement.

Comme c'est le cas pour les soins de santé, ces réductions vont entraîner un gaspillage d'expertise, l'augmentation du chômage et en particulier féminin, étant donné que les établissements postsecondaires tout comme les hôpitaux recrutent essentiellement des femmes. Les disparités régionales seront accrues et l'ensemble des Canadiens n'auront plus autant de possibilités d'instruction.

Nous n'ignorons pas que le système d'enseignement postsecondaire comporte de nombreux problèmes: accessibilité, élitisme, installations insuffisantes pour les travailleurs qui souhaitent reprendre leurs études, insuffisance des programmes destinés aux groupes linguistiques minoritaires, et ce, et ce. Quoi qu'il en soit, réduire les subventions n'est pas une solution.

Nous aimerions finalement parler de ce qui se passe au niveau municipal. Comme vous le savez, les municipalités sont responsables de la prestation d'un grand nombre de services sociaux. Environ la moitié des recettes des municipalités proviennent actuellement de transferts effectués aux niveaux supérieurs de l'administration. Leur budget a donc été soumis à des restrictions et leur seule source indépendante de revenus est en fait l'impôt foncier, lequel est un impôt régressif. D'autre part, il y a des limites aux taux d'impôt foncier que les municipalités peuvent percevoir pour compenser le coût des services qu'elles offrent, alors que ces derniers sont très importants: services sociaux à l'intention des handicapés, des invalides, des personnes âgées, et ce, et ce. Les municipalités se chargent également des services de garderies.

Selon nous, ces services n'ont jamais été subventionnés de façon suffisante et lorsque nous comparons les services sociaux offerts au Canada avec ceux d'autres pays d'Europe occidentale, il est évident que notre système n'est pas satisfaisant. Au lieu de chercher à démanteler le système des services sociaux offerts par les municipalités, il vaudrait mieux chercher à

## [Texte]

look to how it can be improved both structurally and through new funding. I will give you one example of one of the major failures of the Canada Assistance Plan which is the main plan that funds municipal services. The Canada Assistance Plan is the plan under which day care is provided in this country, yet our day care system is very rudimentary. The Canada Assistance Plan treats day care as a welfare service, and attaches a means test. Now there are two arrangements, one for Ontario and one for the other nine provinces but, basically, unless a person can qualify under the terms of the means test their child cannot be subsidized under this program. In addition to that, the provinces act as gatekeepers, preventing the establishment of municipal day care in many areas of the country. So we have that patchwork quilt, or checkerboard, of services in the area of day care, where many many parents are denied access to day care because there are no facilities, and where although theoretically the Canada Assistance Plan might provide assistance to more people, because of the provincial input, and because of the problems in terms of funding and the limitations in terms of funding under the plan, the majority of parents in this country have no access whatsoever to day care.

• 1725

A couple of other basic points, and these I think have been raised by other groups: Obviously, the cutbacks will increase inequality, because public services do have an equalizing effect, especially when they are coupled with progressive taxation. We have many criticisms of the taxation system, and we wish it were much more progressive, but nonetheless there is no doubt that the cutbacks in the public services that are being considered by this committee, will result in a major increase in inequality in this country.

Finally, we would suggest that it is vital that national standards be maintained if Canada is to retain a national unity. The federal government, we believe, has a responsibility to see that these standards are kept up. We do not want a checkerboard pattern of services. We believe workers in all parts of the country, whether they live in St. John's, Newfoundland, or whether they live in Vancouver, or Moose Jaw, should have access to the same level of services, whether those be day care services, municipal social services, hospital services, or post-secondary education services. We believe the federal government should not be using its conflict with the provinces right now as a justification for pulling out funding and giving up the idea of maintaining national standards.

We have set out a series of recommendations at the end of our brief, and I would like to go through them, in conclusion here. These are on page 53.

We are demanding an immediate restoration of the proposed \$1.5 billion in cuts in social affairs spending announced in the October 1980 budget.

We are also demanding a fundamental shift in government spending priorities away from handouts to business. We believe preference should be given to expanding social and educational programs.

## [Traduction]

l'améliorer tant au niveau structurel qu'au niveau du financement. Je voudrais vous citer une des lacunes les plus graves du Régime d'assistance publique du Canada, l'un des principaux régimes de financement des services municipaux. L'organisation des garderies dans notre pays relève du Régime d'assistance publique du Canada, et vous savez que la situation est extrêmement précaire. Les garderies sont considérées comme un service social et les personnes qui veulent s'en prévaloir doivent fournir une justification de leurs ressources. Deux ententes ont été conclues, l'une s'applique à l'Ontario et l'autre aux neuf autres provinces, mais de façon générale, il faut qu'une personne prouve que ses ressources ne sont pas suffisantes avant de pouvoir bénéficier des subventions au titre de ces ententes. En outre, les provinces font obstacle en s'opposant à la création de garderies municipales dans de nombreuses régions du pays. Les services de garderie sont par conséquent extrêmement dispersés et de nombreux parents ne peuvent pas en bénéficier. Alors que, étant subventionné par les provinces, le Régime d'assistance publique du Canada devrait théoriquement permettre d'aider un grand nombre de Canadiens, des difficultés de financement empêchent la plupart des parents canadiens de bénéficier des services de garderie.

J'aimerais maintenant souligner deux points fondamentaux qui, je crois, ont déjà été soulevés par d'autres groupes. Les services publics ont pour effet d'accroître l'égalité entre les Canadiens, et en particulier lorsqu'ils s'accompagnent d'un impôt progressif, alors que les réductions proposées, quant à elles, vont multiplier l'inégalité. Le système d'imposition actuel n'est pas parfait et nous aimerions qu'il soit plus progressif, mais il est évident que les réductions des services publics que votre comité doit étudier auront pour effet d'accroître l'inégalité entre tous les Canadiens.

Finalement, si nous voulons sauvegarder l'unité nationale du Canada, nous estimons qu'il est vital que des normes nationales soient maintenues. Cette responsabilité incombe au gouvernement fédéral. Nous ne voulons pas d'un morcellement des services. Qu'ils habitent à Saint-Jean, Terre-Neuve, à Vancouver ou à Moose Jaw, nous pensons que tous les travailleurs canadiens doivent avoir accès aux mêmes services: garderies, services sociaux dispensés par les municipalités, services hospitaliers, services d'enseignement postsecondaire, et ceatéra. Nous pensons que le gouvernement fédéral ne doit pas prendre prétexte de son conflit avec les provinces pour supprimer les subventions et renoncer au maintien de normes nationales.

Nous avons rédigé une série de recommandations que vous trouverez à la fin de notre rapport et j'aimerais les passer en revue. Elles se trouvent à la page 53.

Nous demandons le rétablissement immédiat des programmes sociaux dont la suppression a été annoncée dans le budget d'octobre 1980, programmes qui représentent au total 1.5 milliard de dollars.

Nous demandons également une révision des priorités du gouvernement en matière de dépenses et de ses politiques de subventions aux entreprises. Nous pensons que l'expansion des programmes sociaux et pédagogiques devrait être prioritaire.



*[Text]*

We are demanding a surtax on the profits of corporations to restore to historical levels their share of federal government revenues.

We believe there should be the establishment and implementation of national standards in health care, post-secondary education, and social services. Federal government financial assistance should be contingent upon the provinces' and municipalities' demonstrating that they are prepared to pay a fair share of the cost of maintaining such standards.

We are demanding the renegotiation of the established programs funding, such that those provinces such as Ontario, which have used the tax points and cash received from the federal government for purposes other than post secondary education, medicare, and hospital insurance, are forced to restore their contributions to these programs.

We are demanding the elimination of double billing by doctors through restrictions on federal aid to provinces that allow this practice.

We are demanding that the federal government should also negotiate new arrangements for hospital funding with the provinces with a view to abolishing the insurance premiums currently paid in Ontario, Alberta and British Columbia.

We are demanding that the federal government should implement, in consultation with the provinces, a universal dental care system covering all Canadians. Like its predecessor, medicare, it should be funded on a cost-sharing basis with clearly defined national standards.

We are demanding that the federal government should introduce a national pharmacare program as part of the financing of the extended health care system.

We are demanding the establishment of a royal commission to study fiscal relations between the provinces and the federal government in the area of post secondary education. The commission should have the mandate to examine the social and economic costs of cutbacks to spending in this area.

Finally, we are demanding the establishment of a royal commission to study the field of social services administered under CAP and other cost sharing programs with a view to developing a fair and comprehensive system of services across the country. The commission should also be requested to make recommendations concerning how to prevent provincial governments from frustrating the growth of needed services such as day care.

• 1730

Thank you very much, Mr. Chairman.

**The Chairman:** Thank you very much. First of all, Mr. Levine, on the question of spending cuts, or the social envelope, I may attempt to clarify that a bit? The question of the limiting of the growth of the social envelope and redirect-

*[Translation]*

Nous demandons l'imposition d'une surtaxe sur les profits des sociétés afin que la portion des recettes fédérales d'origine fiscale redevienne ce qu'elle était.

Nous croyons à la nécessité d'imposer des normes nationales en matière de soins de santé, d'enseignement postsecondaire et de services sociaux. Pour bénéficier de l'aide financière du gouvernement fédéral, les provinces et les municipalités devraient prouver qu'elles sont prêtes à payer leur part.

Nous demandons la renégociation des ententes sur le financement des programmes établis afin que les provinces comme l'Ontario qui ont utilisé un système de points d'impôt pour obtenir des subventions du gouvernement fédéral dans des domaines autres que l'enseignement postsecondaire et l'assurance-maladie et hospitalisation, soient obligées de contribuer au financement de ces programmes.

Afin de supprimer la double facturation pratiquée par les médecins de certaines provinces, nous demandons une réduction de l'aide fédérale pour les provinces qui autorisent cette pratique.

Nous demandons que le gouvernement fédéral négocie avec les provinces de nouvelles ententes sur le financement des hôpitaux afin de supprimer les primes d'assurance-hospitalisation perçues en Ontario, en Alberta et en Colombie-Britannique.

Nous demandons que le gouvernement fédéral, en consultation avec les provinces, mette en place un régime d'assurance-soins dentaires destiné à tous les Canadiens. Comme son prédécesseur, le régime d'assurance-maladie, il devrait être financé selon un principe de partage des coûts et obéir à des normes définies à l'échelon national.

Nous demandons que le gouvernement fédéral élabore un programme national de soins pharmaceutiques qui s'inscrirait, pour ce qui est du financement, dans le système des soins complémentaires de santé.

Nous demandons la création d'une commission d'enquête chargée d'étudier les ententes fiscales entre les provinces et le gouvernement fédéral dans le domaine de l'enseignement postsecondaire. Cette commission aurait le mandat d'étudier les coûts sociaux et économiques des réductions imposées dans ce domaine.

Finalement, nous demandons la création d'une commission d'enquête chargée d'étudier l'ensemble des services sociaux administrés au titre du Régime d'assurance publique du Canada et d'autres programmes à coûts partagés, en vue de développer un système uniformisé et juste de services dans l'ensemble du pays. Cette commission d'enquête devrait faire des recommandations qui interdiraient aux provinces de limiter le nombre de certains services très utiles, comme les garderies.

Merci beaucoup, monsieur le président.

**Le président:** Merci beaucoup. Tout d'abord, monsieur Levine, j'aimerais apporter certaines précisions au sujet de la réduction des dépenses au titre des programmes sociaux. En ce qui concerne le remaniement de l'enveloppe sociale au profit

**[Texte]**

ing it to the economic development envelope is a fact of fiscal policy that we have to take account of, whether we like it or not. Parliament decided that; the government presented a budget and we are not in the business of writing budgets.

The issue of reducing transfers to provinces—by the way, it is \$500 million next fiscal year that is being proposed and \$1 billion in the following fiscal year—to some extent is affected by the fact of fiscal policy that I just mentioned, but it is a separate issue. In fact, when you say, in recommendation number 4, that:

Federal Government financial assistance should be contingent upon the provinces and municipalities demonstrating that they are prepared to pay a fair share—et cetera, that recommendation may result in a reduction in federal transfers to the provinces. So, while it is okay for you to relate the two because one impacts on the other, I just wanted to make the point that our mandate deals specifically with the transfers to provincial governments in the areas of the Canada Assistance Plan, EPF, equalization, and these things. Our mandate is not to deal with social spending, as such, but it has an impact.

**Mr. Levine:** As I said, Mr. Chairman, at the outset, you have been given an impossible mandate, and I think in whatever report you prepare for Parliament that should be said.

**Mr. Herbert:** If we think we have been given an impossible mandate—and I made this point right at the start—I do not feel myself limited in the way you think we are limited.

**Mr. Levine:** I see. Okay, I am pleased to hear that.

**The Chairman:** My only point here was to make the point that we are dealing with transfers to provinces, not to the social spending envelope per se, but it has an impact on it, to some extent.

**Mr. Levine:** Of course.

**The Chairman:** One of the things that concerns us and concerns the government and is implied in our mandate is the issue of the fiscal balance between the federal government and the provinces as a whole, and then the fiscal balance between the provinces themselves. One of the reasons advanced by those proponents of the reduction of transfers to provinces is that if there is a need now for the greater part of these programs to deal with programs that have been established—in other words, there has been a start-up capital effort and now you are dealing with the operation of the programs—why, in terms of growth in the future, should it be the federal government that should raise taxes to pay for these and not the provincial governments? I am not talking, of course, of a complete opting out by the federal government, these levels of reductions would not imply an opting out on the part of the federal government because in terms of cash we are dealing with a total cash bill of about \$14 billion and tax points that are worth, up to March 31, 1982, about \$3 billion to \$4 billion a year. In your view, why do you think it should be the federal Parliament that should raise taxes, in whatever form, to finance these programs, now that they have been established,

**[Traduction]**

de celle du développement économique, il s'agit d'une politique fiscale que nous devons accepter, que nous le voulions ou non. Le Parlement en a décidé ainsi: le gouvernement a présenté un budget et ce n'est pas nous qui l'avons rédigé.

Quant à la réduction des paiements de transfert aux provinces, elle sera de 500 millions de dollars pour la prochaine année financière et de 1 milliard de dollars l'année suivante. Comme je viens de vous le dire, cette mesure est le résultat d'une politique fiscale dont nous n'avons pas à parler ici. Dans votre recommandation n° 4, vous dites et je cite:

Pour bénéficier de l'aide financière du gouvernement fédéral, les provinces et municipalités devraient prouver qu'elles sont prêtes à payer leur part . . . etc.

L'application de cette recommandation peut en effet entraîner une réduction des paiements de transfert du gouvernement fédéral aux provinces. Vous êtes sans doute en mesure de faire le lien entre ces deux choses, mais je voudrais vous rappeler que notre mandat porte spécifiquement sur les paiements de transfert aux gouvernements provinciaux au titre du Régime d'assistance publique du Canada, du FPE, de la péréquation et cetera. Nous ne sommes pas chargés d'étudier les dépenses sociales, en tant que telles, même s'il y a un certain rapport entre les deux.

**M. Levine:** Comme je l'ai dit dès le début, monsieur le président, le Parlement vous a confié un mandat impossible et je crois que vous devriez le souligner dans votre rapport.

**M. Herbert:** Même si l'on nous a confié un mandat impossible, je ne m'estime personnellement pas aussi limité que vous le croyez.

**M. Levine:** Je comprends. Je suis heureux de l'entendre.

**Le président:** Je voulais simplement rappeler que nous sommes chargés d'étudier les paiements de transfert aux provinces et non pas l'enveloppe des dépenses sociales en tant que telle, même s'il y a un certain rapport entre les deux choses.

**M. Levine:** Bien sûr.

**Le président:** Ce qui est implicite dans notre mandat et qui préoccupe le gouvernement c'est la question de l'équilibre fiscal entre le gouvernement fédéral et l'ensemble des provinces d'une part, et entre les provinces elles-mêmes d'autre part. L'un des arguments avancés par ceux qui sont favorables à la réduction des paiements de transfert aux provinces est le suivant: il est nécessaire de se pencher sur l'ensemble des programmes établis. En d'autres termes, certaines immobilisations ont été effectuées et il s'agit maintenant de s'interroger sur le budget d'exploitation de ces programmes. Pourquoi le gouvernement fédéral plutôt que les gouvernements provinciaux devrait-il percevoir des impôts pour payer ces programmes? Je ne dis pas, bien sûr, que le gouvernement fédéral doive se retirer complètement du jeu. Ce n'est pas ce que signifient ces réductions de programmes et d'ailleurs le budget total affecté à ces programmes est d'environ 14 milliards de dollars pour l'année financière se terminant le 31 mars 1982. Les différents points d'impôt représentent 3 à 4 milliards de dollars par an. Pourquoi selon vous le Parlement fédéral devrait-il, plutôt que les gouvernements provinciaux, percevoir des impôts visant à financer ces programmes établis, même s'il était



[Text]

and not the provincial governments, even if we had some way of modifying the equalization system to make sure that the have-not provinces do not absorb any higher shock than the richer provinces?

**Mr. Levine:** I think in the case of the programs we have spoken about, medicare and hospitalization particularly, these were social programs that were initiated by the federal government. What appears to be the development is that you cannot start these programs and say to the province, look, we will have a cost-sharing arrangement with you, and then five or ten years down the road you opt out and leave them holding the bag.

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**The Chairman:** Mr. Levine, Mr. Calvert cited some figures, and I found some in your brief that may not run for the whole area of EPF, but I wonder if you are aware that EPF transfers, cash and tax, as a percentage of provincial health and post-secondary expenditures—all their expenditures—in 1976-77, under the old shared-cost system, the federal contribution in the last year was 38.4 per cent. In 1980-1981, it was 47.3 per cent. So there have been no federal cutbacks. There have been increases pegged to the GNP. Provincial governments decided, because of the flexibility that EPF allowed, to spend the money elsewhere, obviously. The agreement provided for that.

**Mr. Levine:** Right.

**The Chairman:** We may have our views on whether this was right or wrong. I guess the principle was that it was up to the provincial legislatures and the provincial electorates to determine that. Nevertheless, the information we had is that the federal contribution as a percentage has increased from 38.4 to 47.3 per cent.

**Mr. Calvert:** If I may just make a comment on that—it is our understanding that in 1977, when the program was renegotiated, the objective of the federal government was to get out of the fifty-fifty cost-sharing arrangement, which it considered to be open-ended, and put a cap on it. As part of that, it was prepared to allow the provinces much more scope in how they actually spent the federal money that was transferred to them.

**The Chairman:** Well, you can call it a cap. It was pegged to a three-year moving average of the nominal GNP. Now the federal contribution, using 1976 as a base year, is pegged to that—the three-year moving average of the nominal GNP. It does provide for provincial governments to use the funds as they see fit, respecting the general conditions of the Medical Care Act and the Hospital Insurance and Diagnostic Services Act. There is no more overseeing by federal bureaucrats of a claim by the provincial governments. That is really the change.

But the federal contribution as a percentage of all their spending in health and post-secondary education has increased from 38.4 per cent to 47.3 per cent. And I am not suggesting that this is a violation of any agreement. I just make the point

[Translation]

possible de modifier le système de la péréquation de façon à nous assurer que les provinces les plus pauvres ne seront pas plus touchées que les provinces riches?

**M. Levine:** Je vous rappelle que c'est le gouvernement fédéral qui a pris l'initiative des programmes sociaux dont il est question, à savoir le Régime d'assurance-maladie et le Régime d'assurance-hospitalisation. Après avoir lancé ces programmes et conclu des ententes de partage des coûts avec les provinces, il semble que cinq ou dix ans plus tard, le gouvernement ait décidé de retirer son épingle du jeu et de laisser les province se débrouiller seules.

**Le président:** Monsieur Levine, j'aimerais revenir sur certains chiffres cités par M. Calvert. Ils ne s'appliquent peut-être pas à l'ensemble des programmes établis mais savez-vous que pour l'année 1976-1977, la contribution fédérale au titre de l'ancien système de partage des coûts du FPE a été de 38.4 p. 100 par rapport à l'ensemble des dépenses des provinces en matière de santé et d'enseignement postsecondaire? En 1980-1981, la contribution fédérale était de 47.3 p. 100. Il n'y a donc pas eu réduction mais plutôt augmentation par rapport au PNB. Grâce à la souplesse de l'entente sur le FPE, les gouvernements provinciaux ont décidé d'utiliser différemment leurs budgets, ce que leur permettait l'entente.

**M. Levine:** C'est vrai.

**Le président:** On peut en penser ce que l'on veut. Ce sont là des décisions qui incombent aux provinces et il appartient aux électeurs des provinces d'en juger. Quoi qu'il en soit, le pourcentage de la contribution fédérale est passé de 38.4 à 47.3 p. 100.

**M. Calvert:** J'aimerais apporter une précision. Nous avons cru comprendre qu'à l'issue de la renégociation de 1977, le gouvernement fédéral a voulu mettre un terme au partage égal des coûts et limiter sa contribution. En contrepartie, il s'est montré prêt à accorder plus de latitude aux provinces pour l'utilisation des paiements de transfert.

**Le président:** Vous parlez de limites. Il a été décidé que la contribution fédérale serait calculée en fonction de la moyenne mobile du PNB nominal échelonnée sur trois ans. C'est ce qui a été fait à partir de l'année de base 1976. Les gouvernements provinciaux sont autorisés à utiliser les paiements de transfert comme ils l'entendent, à condition qu'ils respectent les termes de la Loi sur les soins médicaux et de la Loi sur l'assurance-hospitalisation et les services diagnostiques. Les fonctionnaires fédéraux n'ont plus à vérifier les demandes de remboursement que leur soumettaient les gouvernements provinciaux. C'est là un changement important.

La contribution du gouvernement fédéral est néanmoins passée de 38.4 p. 100 à 47.3 p. 100 pour l'ensemble des dépenses au titre de la santé et de l'enseignement postsecondaire. Il n'y a pas eu infraction à l'entente puisque celle-ci

[Texte]

that the agreement provided for that. The philosophy behind that was that provincial governments were in a better position to make the kinds of decisions which had to be made in the health services delivery field and post-secondary education than the federal government was.

Obviously, when you recommend that now we should peg—what you recommend in No. 4 is that the federal contribution should be contingent upon the provinces—municipalities in some cases, but the transfers are all to the provinces in this case, in these programs—that they demonstrate that they are prepared to pay a fair share of the cost of maintaining such standards. In fact, are you suggesting to us that we go back to the shared-cost kind of formula, where the provinces would send in a claim and the federal government would then oversee that? Would you have a bureaucracy here, as we had before, looking over that claim to see if it is correct, and then we pay it?

**Mr. Calvert:** If I may answer that—what we are saying, first, is there should be national standards for these various services. How those standards are negotiated with the provinces in a sense is not really for us to tell you. What we are saying is you start with what standard of services we want to work out the funding accordingly.

**The Chairman:** Are you familiar with the Medical Care Act—the conditions therein—and the Hospital Insurance and Diagnostic Services Act? Are you familiar with these two federal laws? Are you satisfied with those standards, or are you asking for other standards?

**Mr. Calvert:** I think we indicated that one of the problems with hospitalization, for example, was the fact that three of the provinces have been allowed, through an insurance arrangement, to bill individuals for the cost of hospital care, and now, through that billing, approximately \$1 billion is being raised by the three provinces concerned, which is a quarter of the total spending in that area; through what is essentially a very regressive tax.

**The Chairman:** Yes. Well, the two laws in question permitted that even before EPF. Those laws have not been changed by the federal Parliament. They always provided for that and I do not think there is anything new in hospitals charging individuals. That is not related to EPF. It is related to the adequacy or the non-adequacy of the Hospital Services and Diagnostic Services Act in Parliament, or the Medical Care Act.

• 1740

I make that point just to say I hope you realize what you are asking us to do; not that I disagree with you. I put this to the groups who come before us with these kinds of wishes. What you are asking the federal government to do is contrary and running counter to, 180 degrees from, the evolution in this country in the last 10 or 15 years towards greater provincial flexibility and autonomy in fields of their jurisdiction. Do you realize this is what you are asking us to do?

[Traduction]

prévoit des dispositions en ce sens. On a simplement jugé que les gouvernements provinciaux étaient mieux placés que le gouvernement fédéral pour prendre des décisions en ce qui concerne la prestation des services de santé et l'enseignement postsecondaire.

Dans votre recommandation n° 4, vous dites que la contribution fédérale devrait être conditionnelle, et que pour en bénéficier, les provinces, puisque les paiements de transfert s'appliquent à toutes les provinces, ainsi que certaines municipalités devraient prouver qu'elles sont prêtes à payer leur part du coût des programmes. Proposez-vous en fait que nous revenions à l'ancienne formule de partage des coûts en vertu de laquelle les provinces devaient envoyer leurs factures au gouvernement fédéral qui les vérifiait? Proposez-vous la création d'une agence centrale de contrôle qui vérifierait les créances des provinces avant de les rembourser?

**M. Calvert:** Nous disons simplement que tous ces services devraient être assujettis à des normes nationales. Nous n'avons pas à vous dire comment ces normes doivent être négociées avec les provinces. Une fois que tous ces services seront normalisés, il sera possible de discuter financement.

**Le président:** Est-ce que vous connaissez bien les dispositions de la Loi sur les soins médicaux et de la Loi sur l'assurance-hospitalisation et les services diagnostiques? Connaissiez-vous ces deux lois fédérales? Pensez-vous qu'elles contiennent des normes satisfaisantes ou bien voulez-vous parler d'autres normes encore?

**M. Calvert:** Pour ce qui est de l'assurance-hospitalisation, par exemple, trois provinces ont été autorisées en vertu d'une entente à facturer directement au patient les coûts des soins hospitaliers. Ce système de facturation a permis aux trois provinces en question d'empocher environ 1 milliard de dollars, soit le quart du budget total des soins médicaux, et ce, par le biais d'un impôt extrêmement régressif.

**Le président:** Bon. Les deux lois en question le permettaient avant même que l'entente sur le FPE soit conclue. Le Parlement fédéral n'a pas modifié ces lois. Il n'y a donc rien de nouveau et certains hôpitaux ont toujours facturé aux patients le coût des soins hospitaliers. Cela n'a donc rien à voir avec le FPE, mais nous amène cependant à nous interroger sur le bien-fondé de la Loi sur les soins médicaux et de la Loi sur l'assurance-hospitalisation et les services diagnostiques.

J'espère que vous réalisez ce que vous nous demandez. Ce n'est pas que je ne sois pas d'accord avec vous. J'ai dit la même chose à d'autres groupes qui ont comparu devant nous. Vous demandez au gouvernement fédéral d'opérer un revirement complet par rapport à l'évolution qu'a connue notre pays depuis 10 ou 15 ans, évolution qui a permis aux provinces d'acquérir plus de souplesse et d'autonomie dans les domaines relevant de leur compétence. Est-ce que vous réalisez bien ce que vous nous demandez?



[Text]

**Mr. Levine:** That is right. I think without following through on this recommendation and without the establishment of minimum standards in each province these inequities we have spoken about will obviously develop. What we are saying is there have to be those minimum standards. Whether it is by doing it in the old way or in some other way, we are not in a position to make a recommendation.

**The Chairman:** But what you are saying is that the federal Parliament should establish standards . . .

**Mr. Levine:** Yes.

**The Chairman:** . . . in the absence of any agreement, and that they should be imposed on provincial governments. That is contrary to the BNA Act. Do you expect the Province of Quebec, the Province of Ontario, the Province of Alberta, the Province of British Columbia to take that from us sitting down?

**Mr. Herbert:** When they say no, do we cut off their funds?

**The Chairman:** Yes, that is what you are suggesting.

**Mr. Calvert:** Before 1977 . . .

**The Chairman:** I do not want to make fun of the proposal. It is a very serious proposal. But I hope national organizations like yourselves will be ready to go to bat the whole way if that is what you are suggesting.

**Mr. Levine:** We will, yes.

**The Chairman:** So what you are saying is that this trend towards greater decentralization of power to the provincial governments has been wrong for the country; that we should go to more power at the centre by the federal Parliament in the health field, post-secondary education field, and hospitals.

**Mr. Levine:** Yes.

**The Chairman:** That is what you are saying.

**Mr. Levine:** That is right.

**The Chairman:** Well, I hope you are ready to go to bat the whole way, because I know of a few provincial premiers and a few provincial ministers who are not going to like this. That does not scare me—the fact that they do not like it . . .

**Mr. Levine:** Yes.

**The Chairman:** . . . but we have to, in some respects—you know, this group cannot change the whole world here. We have to keep our recommendations within the realm of what we think will be acceptable.

**Mr. Levine:** Yes.

**Mr. Herbert:** Mr. Chairman, may I say to Mr. Levine, I agree; and I ask him, how?

**Mr. Levine:** There has been a long history of fiscal arrangements with the provinces, as you well know, and a whole series of social programs. I think what we are saying is simply that they be extended into the areas we are suggesting.

**The Chairman:** No, you see, the difference, Mr. Levine, is that in the two important parliamentary legal instruments, the Medical Care Act . . .

[Translation]

**M. Levine:** C'est exact. Néanmoins, si des normes minimales ne sont pas établies dans chaque province, comme nous le recommandons, les injustices dont nous parlons se perpétueront. Il est nécessaire de fixer des normes minimales. Qu'il faille pour cela recourir à l'ancien système ou bien appliquer de nouvelles méthodes, il ne nous appartient pas de le dire.

**Le président:** Vous dites que le Parlement fédéral devrait établir des normes . . .

**M. Levine:** Oui.

**Le président:** . . . en dehors de toute entente, et que ces normes devraient être imposées aux gouvernements provinciaux. Cela est tout à fait contraire à l'Acte de l'Amérique du Nord britannique. Pensez-vous que le Québec, l'Ontario, l'Alberta et la Colombie-Britannique vont l'accepter?

**M. Herbert:** Si elles refusent, est-ce que nous pouvons cesser toute subvention?

**Le président:** Oui c'est ce que vous proposez.

**M. Calvert:** Avant 1977 . . .

**Le président:** Je n'ai pas l'intention de tourner en dérision ce que vous proposez. Votre recommandation est très sérieuse. Mais j'espère que des organismes nationaux comme le vôtre seront prêts à aller jusqu'au bout de ce que vous proposez.

**M. Levine:** Nous irons jusqu'au bout, oui.

**Le président:** Vous pensez que la décentralisation des pouvoirs en faveur des gouvernements provinciaux a nui à notre pays, et que le Parlement fédéral devrait détenir plus de pouvoirs en matière de santé, d'assurance-hospitalisation et d'enseignement postsecondaire?

**M. Levine:** Oui.

**Le président:** C'est bien ce que vous dites?

**M. Levine:** C'est bien cela.

**Le président:** J'espère que vous serez prêts à vous défendre jusqu'au bout parce que je connais un certain nombre de ministres et de premiers ministres provinciaux qui ne seront pas de tout d'accord. Cela ne me fait d'ailleurs pas peur.

**M. Levine:** Oui.

**Le président:** . . . nous ne pouvons pas changer le monde, vous savez. Nos recommandations doivent s'inscrire dans des limites acceptables.

**M. Levine:** Oui.

**M. Herbert:** Monsieur le président, je voudrais dire à M. Levine que je suis d'accord avec lui, mais j'aimerais lui demander comment il entend procéder?

**M. Levine:** Vous savez qu'un grand nombre d'accords fiscaux ont été conclus avec les provinces et que de nombreux programmes sociaux ont été mis en place. Nous demandons simplement qu'ils soient élargis comme nous l'avons proposé.

**Le président:** Vous voyez, monsieur Levine, vous ne pouvez pas négliger l'existence de deux instruments juridiques importants et approuvés par le Parlement, à savoir la Loi sur les soins médicaux . . .

[Texte]

**Mr. Levine:** Right.

**The Chairman:** ... and the one that covers hospitalization, the conditions are so broad and so flexible that the provincial governments have been able to accept them. They have accepted the federal money, the spending power of the federal government being used in transferring money to them so that they deliver the service within their jurisdiction.

**Mr. Levine:** Right.

**The Chairman:** But you are asking us to change those acts because ...

**Mr. Levine:** To have some decent national standards, yes.

**The Chairman:** Okay. Well, in the absence of agreements on standards, obviously the intent of the recommendation would be for us to change those acts. Now, that is okay, but I just want to make the point that that would be contrary to the Constitution unless the provinces agree.

**Mr. Levine:** But when those acts, the two you refer to, the Medical Care Act and the hospitalization act, were first introduced, the federal government was intruding into what had traditionally been a constitutional provincial right; an agreement ...

**The Chairman:** Through the spending power.

**Mr. Levine:** Right.

**The Chairman:** By giving the money to the provincial governments. We did not run the hospitals or run the medicare services of the provinces.

**Mr. Levine:** Right, but certain standards of care were laid down ...

**The Chairman:** Yes, very broad.

**Mr. Levine:** ... before those funds were transferred.

**The Chairman:** But very broad and very flexible.

**Mr. Levine:** Right; okay. But over the last number of years the federal government has been withdrawing from those standards, which means we have different levels of care across the country.

**The Chairman:** No. No, standards have not been changed at all. What has changed is that we do not have to have claims from the provinces any more to disburse the money. The money is disbursed automatically, according to an agreed formula: the three-year average of nominal GNP. But the standards federally have not been changed at all. What is happening is that the provinces are interpreting the standards very broadly and very liberally. That is what has changed. Nobody at the federal level has been able to find a way whereby they could change what the provincial governments are doing that would be contravening the standards set down in law. In the absence of any agreement on standards—if there is agreement, no problem—but in the absence of any agreement, we would have to change those laws, and that could be seen as intruding in provincial jurisdiction. That is the difference.

[Traduction]

**M. Levine:** C'est vrai.

**Le président:** ... et la Loi sur l'assurance-hospitalisation et les services diagnostiques. Les dispositions de ces deux lois sont si vastes et si souples que les gouvernements provinciaux les ont acceptées. Ils ont accepté l'argent du gouvernement fédéral, ils ont accepté que des paiements de transfert leur soient versés au titre de la prestation des services qui relèvent de leur compétence.

**M. Levine:** C'est exact.

**Le président:** Vous nous demandez de changer ces lois parce que ...

**M. Levine:** Oui, pour que nous ayons des normes nationales acceptables.

**Le président:** D'accord. Puisqu'il n'existe pas d'entente sur ces normes, votre recommandation sous-entend que nous modifions ces lois. D'accord, mais cela serait contraire à la constitution, sauf si les provinces l'acceptaient.

**M. Levine:** En promulguant les deux lois dont vous parlez, à savoir la Loi sur les soins médicaux et la Loi sur l'assurance-hospitalisation, le gouvernement fédéral est intervenu dans un domaine qui, en vertu de la constitution, relève traditionnellement de la compétence des provinces ...

**Le président:** Il s'agit de son pouvoir de dépenser.

**M. Levine:** C'est ça.

**Le président:** En donnant de l'argent aux gouvernements provinciaux. Ce n'est pas le gouvernement fédéral qui s'est occupé de la gestion des hôpitaux ou des services médicaux des provinces.

**M. Levine:** C'est vrai, mais certaines normes ont été définies en matière de soins médicaux ...

**Le président:** Oui, des normes très vastes.

**M. Levine:** ... avant l'institution des paiements de transfert.

**Le président:** Ces normes étaient très vastes mais aussi très souples.

**M. Levine:** D'accord. Néanmoins, au cours des dernières années, le gouvernement fédéral ne s'est plus occupé de ces normes, ce qui explique qu'elles varient énormément d'une région du pays à l'autre.

**Le président:** Non. Non, ces normes n'ont pas changé. Ce qui a changé, c'est que nous ne vérifions plus les demandes de remboursement des provinces. Les paiements de transfert sont effectués automatiquement, conformément à une formule qui a été adoptée de part et d'autre: la moyenne mobile du PNB nominal calculée sur une durée de trois ans. Au niveau fédéral, les normes n'ont pas du tout changé. Ce qui a changé, c'est que les provinces peuvent interpréter ces normes d'une façon très flexible et très libérale. Il est impossible au niveau fédéral de modifier les décisions prises par les gouvernements provinciaux sous prétexte que celles-ci sont contraires aux normes établies par des lois provinciales. Étant donné qu'il n'existe pas d'entente sur les normes, et s'il en existait une, il n'y aurait plus de problème, cela implique que nous modifions ces lois, ce que nous ne pouvons pas faire sans empiéter sur la compétence des provinces. Voilà la différence.



[Text]

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The reason the Medical Care Act is so broad in its conditions is to prevent the provinces from complaining that we were intruding in the way they run their affairs.

**Mr. Herbert:** I have just one short question again, and I related it to the Province of Quebec simply because we have already gone through the experience . . .

**Mr. Levine:** Yes.

**Mr. Herbert:** . . . if we try to impose or even suggest conditions on post secondary education, and the Province of Quebec says no, do we cut off the funds? We know they are going to say no in advance.

**The Chairman:** So will Ontario. They have told us.

**Mr. Herbert:** Do we still give them the money? Do we give the money to a province—there is one province—that does not spend all the funds we give them for post secondary education, they use them for other purposes? They do not contribute one nickel and they do not even use everything we give them. That is the problem you have got to face, I am afraid. You can call it the politicians problem, but it is the problem you people have got to face, too.

**Mr. Calvert:** We can appreciate the problem, but if you go back to the period before 1977 when there was a cost-sharing arrangement—for provinces to get their money they had to spend money, too.

**Mr. Herbert:** Right.

**Mr. Calvert:** The federal government chose in its wisdom to take away that provision, the 50-50 cost sharing . . .

**The Chairman:** That was an agreement among the 11 provinces—the 11 governments.

**Mr. Herbert:** To give them flexibility.

**Mr. Calvert:** But the federal government wanted to limit its liabilities, to put a cap on the amount of money that it would spend in that area and therefore it was prepared to give the provinces much more scope as to how they spend the tax points and the money that the federal government transferred to them.

**The Chairman:** It was an agreement, so the provinces got something and the federal government got something.

**Mr. Calvert:** You are suggesting that the federal government is innocent here.

**The Chairman:** No, I am not.

**Mr. Calvert:** The fact is, the federal government did want to reduce its own contributions under these programs, or at least to limit them.

**The Chairman:** To limit them, but they have not been abused.

**Mr. Calvert:** Therefore, it negotiated with the provinces an arrangement which opened the door to abuses and the provinces, of course, took advantage of it.

**Mr. Herbert:** So you suggest going back to cost sharing?

[Translation]

Si les dispositions de la Loi sur les soins médicaux sont très vastes, c'est justement pour que les provinces ne puissent pas se plaindre que nous nous immisçons dans leur affaires.

**M. Herbert:** Je voudrais poser une brève question en rapport avec le Québec, puisque nous avons déjà fait l'expérience.

**M. Levine:** Oui.

**M. Herbert:** . . . si nous essayons d'imposer ou même de suggérer certaines normes en matière d'enseignement postsecondaire, et si la province du Québec s'y oppose, est-ce que nous pouvons supprimer toute subvention? Nous savons déjà qu'elle va refuser.

**Le président:** L'Ontario aussi. Ils nous l'ont déjà dit.

**M. Herbert:** Devons-nous continuer à leur donner de l'argent? Si les provinces auxquelles nous accordons des subventions au titre de l'enseignement postsecondaire décident de dépenser ces fonds à d'autres fins, devons-nous continuer à les subventionner? Non seulement leur contribution est nulle mais encore les fonds que nous leur octroyons ne sont pas épuisés. Je crains que nous ayons à affronter ce problème. C'est peut-être un problème de politiciens mais vous devez également y faire face.

**M. Calvert:** Nous comprenons ce problème. Pour en revenir à la période d'avant 1977, il existait une entente sur le partage égal des coûts et les provinces devaient verser leur part.

**M. Herbert:** C'est vrai.

**M. Calvert:** Le gouvernement fédéral, dans sa sagesse, a décidé de la supprimer.

**Le président:** Cette entente a été conclue entre les 11 gouvernements.

**M. Herbert:** Afin de leur donner plus de souplesse.

**M. Calvert:** Le gouvernement fédéral a voulu limiter ses dépenses dans ce domaine et en contrepartie il a accepté de donner plus de pouvoir aux provinces quant à l'utilisation des points d'impôt et des paiements de transfert.

**Le président:** Une entente a été conclue et chacun y a trouvé son compte.

**M. Calvert:** Vous voulez dire que le gouvernement fédéral est innocent.

**Le président:** Non, pas du tout.

**M. Calvert:** Le fait est que le gouvernement fédéral a voulu limiter sa contribution au titre de ces programmes.

**Le président:** En effet, mais il n'y a pas eu d'abus.

**M. Calvert:** Le gouvernement fédéral a donc négocié avec les provinces une entente qui a ouvert la porte à toutes sortes d'abus, ce dont les provinces ont bien sûr profité.

**M. Herbert:** Vous proposez que nous revenions à la formule de partage des coûts?

[Texte]

**Mr. Calvert:** I am not necessarily saying that that is the right formula, okay. But you ask us, how could these standards be maintained. We had a situation before 1977 where at least the provincial governments were forced to contribute 50 per cent of the costs of post secondary education and these other programs, which surely is one aspect of maintaining some national standards. It did have that, and the federal government gave that up in 1977.

**The Chairman:** Yes, we gave that up first of all because the federal government wanted to see a pegging somewhere of its contribution—before it was totally under provincial control, and the provinces wanted more flexibility.

**Mr. Levine:** Right.

**The Chairman:** But that was an agreement among 11 governments. Now, as much as I would like to change, I have to realize the presence of provincial politics and I am not sure that those people are going to take this sitting down, that the federal Parliament is now going to change that and say we are going to determine the standards and the absence of standards and you will not get the money unless you respect that. So, in fact, you may be agreeing with the government when it wants to reduce the transfers to provinces because the reduction in transfers may be in the billions—more than \$1 billion a year, it may turn out to be \$2 billion a year. So, in a sense, you are not totally in disagreement . . .

**Mr. Levine:** No.

**The Chairman:** . . . with the federal government when it says it may want to reduce some transfers to provinces.

**Mr. Levine:** I wonder whether the provinces today would still agree to those kinds of cuts. If they now realize the extent of them, would they now be prepared to say, Okay, we will have less flexibility, providing you give us decent funding.

**The Chairman:** Our reading from those we have talked to is that they want both.

**Mr. Levine:** Of course, they want both—okay.

**The Chairman:** That is right.

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**Mr. Levine:** But in your bargaining with the provinces you may have to say to them, Look, you got less funding for more flexibility in 1977.

**The Chairman:** Oh, no, they got more funding. Under the EPF until now they have had more funding.

**Mr. Levine:** Okay. I am sorry.

**The Chairman:** What has happened is that the federal funding is not totally related to provincial cost. It is now related to the three-year moving average of the nominal GNP.

**Mr. Levine:** Right.

**The Chairman:** But there has been no reduction. I indicated that the federal contribution was 38.4 per cent in 1976-77 and it is now 47.3 per cent. But the difference is that it is pegged to other than the provincial cost.

[Traduction]

**M. Calvert:** Pas nécessairement. Vous voulez savoir comment maintenir ces normes. Avant 1977, les gouvernements provinciaux étaient obligés d'assurer 50 p. 100 des coûts des programmes d'enseignement postsecondaire et d'autres programmes, ce qui avait l'avantage de maintenir certaines normes nationales. Le gouvernement fédéral a renoncé à tout cela en 1977.

**Le président:** Oui, le gouvernement fédéral a voulu fixer le niveau de ses contributions, lequel, auparavant, dépendait totalement du contrôle des provinces. D'autre part, les provinces souhaitaient bénéficier de plus de souplesse.

**M. Levine:** C'est exact.

**Le président:** Cette entente a été conclue entre 11 gouvernements. Même si nous souhaitons apporter des changements, nous devons tenir compte de l'existence politique des provinces, et je doute que celles-ci se laissent faire. Elles n'accepteront pas que le Parlement fédéral leur impose des normes qu'elles devront respecter pour bénéficier des subventions. Peut-être, êtes-vous d'accord avec les politiques du gouvernement qui visent à réduire les paiements de transfert aux provinces. Ces paiements sont de l'ordre de 1 à 2 milliards de dollars par an. En un sens, vous n'êtes donc pas complètement opposés . . .

**M. Levine:** Non.

**Le président:** . . . aux politiques fédérales de réduction des paiements de transfert aux provinces.

**M. Levine:** Je me demande si les provinces accepteraient aujourd'hui ce genre de réductions. Si elles réalisaient l'ampleur de ces réductions, elles préféreraient peut-être obtenir des subventions décentes et sacrifier la souplesse.

**Le président:** D'après ce que nous avons cru comprendre, les provinces veulent les deux.

**M. Levine:** Bien sûr, elles veulent les deux.

**Le président:** C'est vrai.

**M. Levine:** Lorsque vous négocierez avec les provinces, il faudra peut-être que vous leur disiez: on vous a donné plus de souplesse en 1977, mais en contrepartie vous avez reçu moins de subventions.

**Le président:** Non, elles ont reçu plus de subventions grâce à l'entente sur le FPE.

**M. Levine:** D'accord. Veuillez m'excuser.

**Le président:** Le niveau de financement fédéral ne correspond pas tout à fait aux dépenses des provinces. Ce niveau est actuellement calculé en fonction de la moyenne mobile du PNB nominal échelonnée sur trois ans.

**M. Levine:** C'est exact.

**Le président:** Il n'y a pas eu de réduction. Je rappelle que la contribution fédérale était de 38.4 p. 100 en 1976-1977 alors qu'elle est aujourd'hui de 47.3 p. 100. La différence c'est que le niveau des subventions fédérales n'est plus en rapport avec les dépenses des provinces.



[Text]

**Mr. Levine:** Right.

**The Chairman:** I think we have made the point, that the provincial governments are not going to want to let go of this flexibility so easily. I wish they did. But I do not foresee that it is going to be so easy. So, we can expect . . .

**Mr. Levine:** But if they see that the cuts are going to be substantial if they do not give up the flexibility . . .

**The Chairman:** Well, that remains to be seen. But I just hope that you realize the extent to which you are impacting on the federal-provincial rapport . . .

**Mr. Levine:** Yes, I realize . . .

**The Chairman:** . . . and that you will be ready to go to bat for us when and if we decide to recommend such a thing.

**Mr. Levine:** Right.

**Mr. Calvert:** If I can just make one more comment on that, and that is that the basic thing that has to occur is for the federal government to indicate that it wants to improve these programs. As long as we are looking at this situation in the context of further federal government cutbacks, then I do not think that it is going to be very easy to make any progress in establishing these national standards. If we are talking about the federal government starting to deal with some of the very real needs that Canadians still have which are unmet—and we have indicated some areas where we feel the federal government should be moving into—if we are talking about expanding some of these social spending areas, then I think we could talk realistically about negotiating something different with the provinces. But in the context of cutbacks, I think it would be very difficult to do so.

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** Have you any evidence that since 1977 there has been a reduction in standards or equal treatment by persons moving from one province to another in receiving health care?

**Mr. Levine:** We have done a number of studies within our union primarily in the health care field because we have a large membership there and we see very serious cutbacks in patient care, very serious cutbacks in admissions and lengthening waiting lists to get into hospitals. There have been very serious cutbacks in every province and I think it is a result of this whole development that has taken place since 1977.

**Mr. Blenkarn:** In other words, it is a tightening of the funds available by government to the system obviously now controlled by the provincial governments.

On pages 7, 8 and 9 of your brief, you outline the details concerning contributions in cash to the established programs financing part. Is that just health care or is it the EPF total transfer amounts? Those are cash transfers that will total EPF, are they not?

**The Chairman:** It seems to me that that . . .

**Mr. Blenkarn:** That is the EPF total—the \$6.404 billion approximately, the total EPF this year.

**The Chairman:** Only in cash.

[Translation]

**M. Levine:** C'est vrai.

**Le président:** Il est évident que les gouvernements provinciaux n'accepteront pas si facilement qu'on leur retire la souplesse qu'on leur a accordée. Ce serait bien mais je ne pense pas que ce soit le cas. Nous pouvons donc nous attendre . . .

**M. Levine:** Si les provinces réalisent que leur budget va être réduit à moins qu'elles ne renoncent à cette souplesse . . .

**Le président:** C'est à voir. J'espère que vous réalisez les conséquences de vos recommandations au niveau des relations fédérales-provinciales . . .

**M. Levine:** Oui.

**Le président:** . . . et que vous serez prêts à nous appuyer si nous décidons d'adopter vos recommandations.

**M. Levine:** Oui.

**M. Calvert:** J'aimerais faire une dernière observation à ce sujet. Le gouvernement fédéral doit faire savoir s'il a ou non l'intention d'améliorer ces programmes. Tant que nous serons menacés par de nouvelles restrictions budgétaires de la part du gouvernement fédéral, je ne pense pas qu'il sera facile de progresser et d'établir des normes nationales. Si le gouvernement fédéral accepte de tenir compte des besoins réels des Canadiens—et nous avons mentionné certains secteurs dans lesquels le gouvernement fédéral devrait intervenir—et s'il consent à accroître ses dépenses sociales, alors on peut envisager de façon réaliste la négociation d'une entente différente avec les provinces. Néanmoins, dans un contexte de restrictions budgétaires, cela me semble difficile.

**Le président:** M. Blenkarn.

**M. Blenkarn:** Avez-vous la preuve que depuis 1977 la qualité des soins médicaux prodigués d'une province à l'autre ait baissé?

**M. Levine:** Nous avons effectué plusieurs études dans le domaine des soins de santé qui regroupe un grand nombre de nos adhérents. Ces réductions ont eu des conséquences très graves pour ce qui est des soins administrés aux patients, du nombre d'hospitalisations et de la longueur des listes d'attente pour les hospitalisations. Toutes les provinces ont été touchées et je crois que cela résulte des politiques adoptées depuis 1977.

**M. Blenkarn:** En d'autres termes, la restriction des fonds fédéraux s'est répercutée sur des services contrôlés par les gouvernements provinciaux.

A la page 7, 8 et 9 de votre rapport, vous citez certains chiffres relatifs au financement des programmes établis. S'agit-il de l'ensemble des paiements de transfert au titre du FPE ou simplement des fonds octroyés au titre des soins de santé? Il s'agit de l'ensemble des paiements de transfert effectués au titre du FPE, n'est-ce pas?

**Le président:** C'est ce qu'il me semble.

**M. Blenkarn:** Le montant de 6.404 milliards de dollars représente le montant total des paiements de transfert au titre du FPE.

**Le président:** Il s'agit d'un montant en espèces.

## [Texte]

**Mr. Blenkarn:** That is a cash part, is it?

**Mr. Calvert:** I believe that is the EPF component.

**M. Blenkarn:** That is the cash part of the EPF.

**Mr. Calvert:** Yes.

**The Chairman:** It does not include the tax points, obviously.

**Mr. Calvert:** No.

**Mr. Blenkarn:** So, on page 7 you indicate the normal growth based on the floating average of the GNP that is likely to take place in 1982-83 and 1983-84, assuming there is no change. Is that correct?

**Mr. Levine:** Right.

**Mr. Blenkarn:** On page 8, you indicate what would happen to EPF if \$500 million was taken out in 1982-83 and \$1 billion taken out in 1983-84. Is that correct?

**Mr. Levine:** Right.

**Mr. Blenkarn:** That shows that if the \$500 million was taken out in the next fiscal year, the total growth would be 0.5 per cent of money available for EPF programs and only 0.24 per cent the following year. The next chart goes on to indicate what would happen in terms of real dollars in the hands of the provinces or the distributors of the service.

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**Mr. Levine:** Right. And those are based on very conservative inflation projections.

**Mr. Blenkarn:** I notice that you have got inflation for this current fiscal year at 9.4 per cent.

**Mr. Levine:** That is not our estimate.

**Mr. Blenkarn:** The Minister of Finance the other day said 13.9 per cent since his budget, so . . .

**The Chairman:** I wonder if I could clarify one thing, Mr. Blenkarn, if you will permit me. I think that is a good comparison, but I think it includes only the cash portion.

**Mr. Blenkarn:** That is right.

**The Chairman:** When the minister is talking about reductions, I guess it is not clear, but one could include the tax transfers because he is talking reductions to the provinces; therefore, in fact he might be talking of getting some of those tax transfers back by increasing taxes, or something.

**Mr. Blenkarn:** Mr. Chairman, that was not my recollection of what the minister in fact said in his statement. Tax points that were transferred in 1977 are very difficult to recapture, particularly when the provinces have all increased their taxes to cover those tax points.

Can we go to page 13? You made a series of comparisons with respect to taxing. In your brief you suggested significant increases in corporate tax. I am looking at the sort of shift in taxation which is clearly to direct taxes on persons concerning income tax, but I note there also has been a shift from indirect taxes—presumably sales taxes, customs duties, and so on—that may or may not be regressive. A number of people writing

## [Traduction]

**M. Blenkarn:** Il s'agit d'un montant en espèces, n'est-ce pas?

**M. Calvert:** Il s'agit du montant du FPE.

**M. Blenkarn:** Il s'agit du montant en espèces du FPE.

**M. Calvert:** Oui.

**Le président:** Cela ne comprend pas les points d'impôt.

**M. Calvert:** Non.

**M. Blenkarn:** A la page 7, vous indiquez quel sera le taux de croissance du FPE en fonction de la moyenne mobile du PNB prévu pour 1982-1983 et 1983-1984, en supposant qu'il n'y ait pas de changement. Est-ce exact?

**M. Levine:** Oui.

**M. Blenkarn:** A la page 8, vous décrivez ce qu'il adviendra du FPE, si le budget de 1982-1983 est diminué de 500 millions de dollars, et celui de 1983-1984 de 1 milliard de dollars. C'est bien cela?

**M. Levine:** Oui.

**M. Blenkarn:** Cela signifie que si on opère une réduction de 500 millions de dollars au cours de la prochaine année financière, le taux de croissance total du financement des programmes établis sera de 0.5 p. 100 la première année et de 0.24 p. 100 l'année suivante. Sur le tableau suivant, vous indiquez ce que cela signifie au niveau du budget des provinces et de la distribution des services.

**M. Levine:** Exact. Et ces chiffres sont fondés sur des prévisions très modérées en matière d'inflation.

**M. Blenkarn:** Je vois que, pour le présent exercice, vous avez un taux d'inflation de 9.4 p. 100.

**M. Levine:** Ce n'est pas nous qui avons fait cette estimation.

**M. Blenkarn:** L'autre jour, le ministre des Finances a parlé d'un taux de 13.9 p. 100, depuis son budget, aussi . . .

**Le président:** Monsieur Blenkarn, si vous me le permettez, j'apporterai un petit éclaircissement. Il s'agit certes d'une bonne comparaison mais il n'y a là que les montants en espèces.

**M. Blenkarn:** C'est exact.

**Le président:** Quand il parle de réductions, et même si cela n'est pas très clair, je pense que l'on peut inclure les transferts fiscaux parce qu'il s'agit de réductions visant les provinces; par conséquent, peut-être veut-il dire que ces transferts fiscaux sont récupérés du fait de l'augmentation des impôts, par exemple.

**M. Blenkarn:** Monsieur le président, je ne pense pas que ce soit là ce que le ministre a déclaré. Les points fiscaux qui ont été transférés en 1977 sont très difficiles à récupérer, d'autant plus que les provinces ont toutes augmenté leurs impôts pour couvrir ces points fiscaux.

Pourrions-nous passer à la page 13? Vous faites une série de comparaisons en matière de fiscalité. Dans votre mémoire, vous proposez que l'on augmente considérablement les impôts sur les sociétés. En matière de modification de la fiscalité, je pense moi en fonction d'une plus grande importance de l'impôt sur le revenu des particuliers mais je vois que l'on accorde aussi une plus grande importance aux impôts indirects, les



[Text]

with respect to corporate tax, treat that as an indirect form of tax.

So I am wondering whether your group feels that corporate taxes which in many cases are passed on by corporations much as sales taxes are passed on are something that were collected and never passed on, or whether you feel that they are more like sales taxes or customs duties which are clearly passed on. You know, corporations have not got any personality other than the individuals employed within the corporation. What is your view on that? Do you really see that increasing corporate tax is something that can be done without any pass-on effect to the entire community?

**Mr. Levine:** Well, obviously, that is very difficult in a free enterprise economy . . .

**Mr. Blenkarn:** Or any economy.

**Mr. Levine:** . . . or any economy, but I think there has to be some sort of controls to see that that does not happen. Obviously, we are not interested in seeing an increase in corporate taxation that is immediately passed on to the consumers. We do not think that kind of pass-on is necessary, given the kinds of profit levels that the corporate community has been enjoying since 1975.

**Mr. Blenkarn:** I was wondering if I could go over that with you, then. That is set out on page 16 of your brief and indicates that corporate profits go up and down so that in 1974 according to your figures, they were 17.6 per cent and they dropped down to 13.5, 13.8, and went back up to 16.9 per cent. They can bounce all over the place because they are bottom line figures.

**Mr. Levine:** Yes.

**Mr. Blenkarn:** I wonder what your comment on that would be. You indicate an increase in tax; of course, that is a period of 1972 on. I suppose you could go back to 1976 and say there has been an even more dramatic increase because it was 13.5 per cent, a lower level, in 1976 in terms of profitability. But it seems to me that it goes all over the map, rather than displaying some sort of a consistent picture. I was wondering what your comments were with regard to that.

**Mr. Levine:** Well, I think the important date as far as this table is concerned is what happened during the period of AIB wage controls. The first full year of controls was 1976; okay, as the table indicates at that point corporation profits represented, 13.5 per cent of national income. What we have seen through the period of AIB controls is that the amount starts going up to 13.8, 14.5 and 16.9 per cent in 1979, and we see that the impact of that whole AIB program was to shift income from individuals to the corporate sector.

• 1800

**Mr. Blenkarn:** Well, it was not AIB in 1972, and corporate profits were considerably lower then, and they climbed in 1973 to 16.3 per cent and, in 1974, to 17.6 per cent.

**Mr. Levine:** Yes.

[Translation]

taxes de ventes, les droits de douanes et ainsi de suite, je suppose, ce qui pourrait peut-être avoir des effets négatifs. Pour beaucoup, l'impôt sur les sociétés équivaut à un impôt indirect.

Ne pensez-vous pas que les sociétés répercuteront sur le consommateur les impôts qu'elles auront à payer, comme c'est clairement le cas pour les taxes de ventes et les droits de douanes? Vous savez, une entreprise, ce n'est jamais que la somme des individus qui y sont employés. Quelle est votre opinion à ce sujet? Pensez-vous vraiment qu'il soit possible d'augmenter l'impôt sur les sociétés sans qu'il y ait répercussion sur le consommateur?

**M. Levine:** Bien sûr, c'est très difficile dans le cadre d'une économie de libre entreprise . . .

**M. Blenkarn:** Ou dans n'importe quel type d'économie.

**M. Levine:** . . . ou dans n'importe quel type d'économie mais je pense que, pour éviter cela, il faut imposer certains contrôles. Bien sûr, nous ne voudrions pas qu'une augmentation de l'impôt sur les sociétés soit immédiatement répercutée sur le consommateur. Vu le niveau des bénéfices que les sociétés ont réalisés depuis 1975, nous ne pensons pas que cela soit nécessaire.

**M. Blenkarn:** J'aimerais beaucoup étudier ce point avec vous. A la page 16 de votre mémoire, vous faites état de la variation des bénéfices des sociétés; en 1974 ils étaient de 17.6 p. 100 puis ils sont tombés à 13.5 p. 100, 13.8 p. 100 pour remonter jusqu'à 16.9 p. 100. Ce sont des chiffres tirés des bilans, ils peuvent varier à loisir.

**M. Levine:** Oui.

**M. Blenkarn:** J'aimerais savoir ce que vous avez à dire à ce propos. Vous indiquez une augmentation de l'impôt à compter de 1972. Vous pourriez dire qu'en 1976 les bénéfices des sociétés n'étaient que de 13.5 p. 100, pourcentage inférieur, donc, en comparaison à d'autres années. Il me semble cependant qu'il y a des variations considérables et que la cohérence fait défaut. J'aimerais savoir ce que vous avez à dire à ce propos.

**M. Levine:** Pour ce qui est du tableau sur lequel vous vous penchez, c'est la période pendant laquelle la CLI a contrôlé les salaires qui est la plus importante. C'est 1976 qui a été la première année complète pendant laquelle des contrôles ont été imposés; comme le tableau l'indique, à cette époque, les bénéfices des sociétés représentaient 13.5 p. 100 du revenu national. Pendant la période où la CLI a imposé des contrôles on est passé de 13.8 p. 100 à 14.5 p. 100 pour atteindre 16.9 p. 100 en 1979 et nous pouvons constater que le Programme de lutte contre l'inflation a provoqué un déplacement depuis les particuliers vers les entreprises, en matière de revenu.

**M. Blenkarn:** En 1972, la CLI n'existait pas et les bénéfices des sociétés étaient alors à un niveau bien inférieur; ils sont passés à 16.3 p. 100 en 1973 puis à 17.6 p. 100 en 1974.

**M. Levine:** Oui.

[Texte]

**Mr. Blenkarn:** I really do not see what you are trying to prove with that, other than the fact that corporate tax profits go up and down, as I say, like a toilet seat.

**Mr. Levine:** Well, they may go up and down but, in this present context, 1980-81, as you well know, they are at a very high peak. What we are saying in our presentation is that, instead of cutting the social programs because of the budgetary deficit, which is a real thing that you are faced with, let us have a fair system of taxation. Tax some of these excess profits so that the federal government will have the funding necessary and those very important social programs will not be cut.

**Mr. Blenkarn:** All right. Now in this table it says "interest and investment income". What does this mean? Is this as a result of income made with a number of savings plans that are in effect such as the Registered Home Ownership Plan; the Registered Retirement Savings Plan—those types of tax allowances to individuals that are often referred to as . . .

**Mr. Levine:** Tax havens.

**Mr. Blenkarn:** . . . tax havens, if you want to put it that way?

**Mr. Calvert:** The figures come from Statistics Canada, National Income and Expenditure Accounts, and that is one of the ways in which they break down national income. There is labour income, corporation profits, interest and miscellaneous investment income. I guess if you want a full definition you will have to go back to Statistics Canada.

**Mr. Blenkarn:** Is that largely from increasing interest paid on savings as a result of the high interest policy?

**Mr. Calvert:** I think that is certainly one factor which has resulted in a very high interest in investment income component.

**Mr. Blenkarn:** Are you recommending that the federal government, then, abolish the \$1,000 investment income allowance to people who invest from the personal income tax field, and increase personal income taxes in that fashion? Are you recommending that the federal government reduce the amount allowed to be deducted into Registered Retirement Savings Plans?

**Mr. Levine:** I would not give that first priority. It is one of the tax loopholes that could be plugged with tremendous results as far as the federal government income is concerned, but we think there are other areas that tax revenue could be generated from which would be more beneficial. Even with the \$1,000 deductible, the RRSP, and so on, it is mainly middle and upper class people who take advantage of those things, and it is the working people who have been suffering as a result.

**Mr. Blenkarn:** yes, but your union members take advantage of it in your pension plans, do they not?

**Mr. Levine:** They do.

**Mr. Blenkarn:** The Government of Canada Pension Plan, for example, is covered under the arrangement.

[Traduction]

**M. Blenkarn:** Je ne vois vraiment pas ce que vous cherchez à prouver ici, à part le fait que les bénéfices des sociétés fluctuent.

**M. Levine:** Certes, ils fluctuent, mais, comme vous le savez, à l'heure actuelle, en 1980-81, ils sont à un niveau très élevé. Nous disons dans notre mémoire que pour combler le déficit budgétaire, tâche à laquelle vous êtes confrontés, mieux vaut élaborer un régime fiscal équitable que réduire les programmes sociaux. Il faut imposer ces bénéfices excédentaires; ainsi le gouvernement fédéral aura les fonds nécessaires et il n'aura pas à réduire ces programmes sociaux particulièrement importants.

**M. Blenkarn:** Très bien. Dans le tableau il y a une rubrique "Revenus de placements et intérêts". Qu'est-ce que cela veut-il dire? Cela a-t-il trait aux revenus des plans d'épargne comme le Plan enregistré d'épargne-logement ou le Plan enregistré d'épargne-retraite . . . toutes ces déductions fiscales dont les particuliers peuvent profiter et à propos desquelles on parle souvent de . . .

**M. Levine:** Abris fiscaux.

**M. Blenkarn:** . . . abris fiscaux, si vous le voulez?

**M. Calvert:** Ces chiffres sont tirés des Comptes nationaux des revenus et des dépenses de Statistique Canada et il s'agit là de l'une des façons de répartir le revenu national. Il y a le revenu du travail, les bénéfices des sociétés, les intérêts et les diverses formes de revenus de placements. Pour avoir une définition complète, il vous faudrait vous adresser à Statistique Canada.

**M. Blenkarn:** Cela correspond-il essentiellement à l'augmentation de l'intérêt de l'épargne du fait de la politique des taux d'intérêt élevés?

**M. Calvert:** Il s'agit certainement là de l'un des facteurs qui a entraîné des revenus de placements très élevés.

**M. Blenkarn:** Recommandez-vous que, pour accroître l'impôt sur le revenu des particuliers, le gouvernement fédéral abolisse la déduction de \$1,000 relative aux revenus des placements? Recommandez-vous que le gouvernement fédéral réduise le montant déductible des sommes versées sur un Régime enregistré d'épargne-retraite?

**M. Levine:** Je ne mettrais pas cela en tête de la liste des priorités. Le gouvernement fédéral pourrait accroître considérablement ses revenus si cette possibilité était supprimée mais nous estimons que d'autres mesures beaucoup plus bénéfiques pourraient être prises en ce qui concerne les recettes fiscales. Ce sont surtout les classes moyennes et les classes supérieures qui profitent de la déduction de \$1,000, et ce sont les classes laborieuses qui en pâtissent.

**M. Blenkarn:** Oui mais les membres de votre syndicat en profitent par le biais de votre régime de pensions, n'est-ce pas?

**M. Levine:** Oui.

**M. Blenkarn:** Le Régime de pensions du Canada est couvert par l'arrangement.



[Text]

**Mr. Levine:** The do take advantage of it, but not to the same extent as well-to-do people do.

**Mr. Blenkarn:** I just want to point out to you that all pension plans take advantage of that scheme.

**Mr. Levine:** Right.

**Mr. Blenkarn:** So the question really is whether we should be directing our attention to that tax scheme in view of other interests we might consider.

**Mr. Levine:** As I say, I would not give it the highest priority as to where additional funding could be had.

**Mr. Blenkarn:** You mentioned day care as a real concern and a lot of my constituents have a concern about this, but you can appreciate that the provinces determine the need category.

**Mr. Levine:** Right.

**Mr. Blenkarn:** The need is determined provincially, and this is a program that is 50-50 covered by the federal government. Are you making a suggestion that the federal government should determine need, or that the federal government should administer CAP completely? What are you suggesting with respect to CAP, concerning day care?

• 1805

**Mr. Calvert:** The problem is that the pattern of day care across the country varies enormously because the provinces, as I said earlier, act as gatekeepers; therefore you have people in some areas of the country who are benefiting from CAP and people in other areas who cannot benefit because the provinces have chosen not to encourage the development of day care. So we have this checkerboard standard that we believe the federal government should not be allowing in this area.

**The Chairman:** Even if it is against provincial competence as in the constitution, we should not tolerate it, you say?

**Mr. Calvert:** Well, you have a program which provides for wide regional disparities and it seems to us that there should be national standards. Now, you are asking me exactly how that should be negotiated with the provinces. That is a delicate thing, and in some respects this committee is better able to work those details out than we.

What we are saying is that these are the things that we feel should be implemented in terms of policy. The way in which that policy is developed and implemented, in terms of negotiating with the provinces, is something that this committee and the federal government will have to work out. We are telling you what we need; what kind of social programs should exist.

**Mr. Blenkarn:** Let us talk about day care for a moment because it is a prime demand thing that a great number of urban people want.

I think you are quite right that the provinces act as gatekeepers, but that is the way the whole of CAP works; whether

[Translation]

**M. Levine:** Certes, ils en profitent, mais pas autant que les gens aisés.

**M. Blenkarn:** Je tiens à signaler qu'on peut profiter de ce système, au titre de n'importe quel régime de pensions.

**M. Levine:** C'est exact.

**M. Blenkarn:** Donc, vu les autres éléments qui pourraient nous intéresser, il s'agit de savoir si nous devrions concentrer notre attention sur ces avantages fiscaux.

**M. Levine:** Comme je l'ai dit, pour trouver de l'argent supplémentaire, ce n'est pas vers ce secteur-là que je me tournerais en priorité.

**M. Blenkarn:** Comme beaucoup de mes électeurs, vous vous préoccuper de la question des garderies mais vous savez certainement que ce sont les provinces qui déterminent la catégorie du besoin.

**M. Levine:** Exact.

**M. Blenkarn:** Le besoin est donc déterminé par les provinces et ce programme est financé pour moitié par le gouvernement fédéral. A votre avis, est-ce que c'est le gouvernement fédéral qui devrait déterminer le besoin ou bien devrait-il gérer complètement le RAPC? Que proposez-vous en ce qui concerne le RAPC, en ce qui concerne les garderies?

**M. Calvert:** Le problème c'est que, en matière de garderies, la situation varie considérablement d'un endroit à l'autre du pays parce que, comme je l'ai dit précédemment, les provinces jouent un rôle de cerbères; ainsi, dans certaines régions, on profite du RAPC alors que dans d'autres cela n'est pas possible parce que la province concernée a choisi de ne pas encourager la création de garderies. La situation diffère donc considérablement d'un endroit à l'autre et nous estimons que le gouvernement fédéral ne devrait pas permettre un tel état de chose dans ce domaine.

**Le président:** Vous estimez donc que, quand bien même ce secteur relève de la compétence des provinces, vu la Constitution, nous ne devrions pas tolérer un tel état de chose?

**M. Calvert:** Ce programme se traduit par des profondes disparités régionales et, à notre avis, on devrait établir des normes nationales à ce propos. Vous me demandez maintenant comment négocier cette question avec les provinces. Il s'agit d'une question délicate et, à certains égards, votre comité est mieux en mesure de régler ce genre de détails que nous.

Nous estimons qu'il s'agit là d'un secteur qui mérite d'être réglementé. C'est à votre comité et au gouvernement fédéral qu'il incombe d'élaborer et d'appliquer des politiques en la matière et de négocier avec les provinces. Nous vous disons quels sont les besoins; nous vous disons quel genre de programmes sociaux devraient être mis en vigueur.

**M. Blenkarn:** Parlons des garderies, c'est ce que souhaitent avant tout beaucoup de gens dans les zones urbaines.

Vous avez tout à fait raison de dire que les provinces jouent le rôle de cerbères, mais c'est ainsi que fonctionne le RAPC;

**[Texte]**

it is mothers' allowances or whether it is a welfare service of any kind. It is the way the system works.

Now, are you suggesting to us that we should have a national per capita transfer of CAP to the provinces or that we should spend exactly the same in each province on CAP? Because that is not the case. What happens, for example, is that, in Quebec they spend \$138 per capita on the CAP programs from the federal government; Ontario only spends \$62. We have talked to Ontario about that: you know, "Why do you not spend more money? Well, of course, if they spend more money, they have to put up more money."

What is your real suggestion here? Are you suggesting that the federal government go into the communities and say: "Look, this is what you are having, whether you like it or not; and you are paying half of it, whether you like it or not"? Or that the federal government do the whole program?

**Mr. Calvert:** Again, I think you are asking us about how you are going to negotiate the details with the provinces. What we are saying is that there is a clear need . . .

**Mr. Blenkarn:** Yes, but we have a deal with the provinces right now, and the deal is 50 cents of every dollar they spend. They determine need.

**Mr. Calvert:** The deal is not working, though.

**Mr. Blenkarn:** You say it is not working . . .

**Mr. Calvert:** That is right.

**Mr. Blenkarn:** . . . but where is it not working?

**Mr. Calvert:** Well, there have been many surveys of day care needs in this province, here in Ontario, and in Saskatchewan, that I am familiar with, and across the country, which have show that parents would like much more day care, and it is not being made available; and the reason it is not being made available, for example, here in Ontario, is because the provincial government does not want to pay what, in effect, is its 30 per cent of the share; 20 per cent being paid by the municipalities and the other 50 per cent by the federal government.

**Mr. Levine:** Maybe that 50 per cent contribution from the federal government is insufficient to encourage the provinces to really get involved in this program.

**Mr. Blenkarn:** In other words, you are thinking that maybe the federal government should go to 60 per cent or 75 per cent?

**Mr. Levine:** Well, obviously the 50 per cent is not attractive enough, unfortunately.

**The Chairman:** That cannot be the case for Ontario?

**Mr. Levine:** Oh yes it is, because there is a great day care inadequacy in this province.

**The Chairman:** But you cannot say that the province of Ontario cannot afford to put up its share because it is not a poor province yet.

**[Traduction]**

qu'il s'agisse d'allocations familiales ou de services de bien-être. C'est ainsi que fonctionne le système.

A votre avis, en ce qui concerne le RAPC, faut-il transférer aux provinces en fonction du nombre d'habitants ou faut-il dépenser exactement les mêmes montants pour chaque province? Parce que ce n'est pas le cas à l'heure actuelle. Au Québec, par exemple, on dépense \$138 par habitant au titre des programmes du RAPC du gouvernement fédéral; l'Ontario n'y consacre que \$62. Nous avons demandé aux responsables ontariens pourquoi ils ne consacraient pas plus à ce secteur, mais il se trouve bien sûr que pour consacrer plus à ce secteur il faut réunir plus d'argent.

Quelle est votre proposition à ce propos? Pensez-vous que le gouvernement fédéral devrait imposer ces programmes en demandant aux provinces d'en financer la moitié? Ou bien voulez-vous que le gouvernement fédéral s'occupe de l'ensemble de ces programmes?

**M. Calvert:** Là encore, vous nous demandez comment tous les détails vont être négociés avec les provinces. Ce que nous voulons dire, c'est qu'il y a un besoin très net . . .

**M. Blenkarn:** Oui, mais nous avons conclu une entente avec les provinces aux termes de laquelle nous finançons la moitié de leurs dépenses. Ce sont elles qui déterminent leur besoin.

**M. Calvert:** Cependant, cette entente ne fonctionne pas.

**M. Blenkarn:** Vous dites qu'elle ne fonctionne pas . . .

**M. Calvert:** C'est exact.

**M. Blenkarn:** . . . mais j'aimerais savoir en quoi elle ne fonctionne pas.

**M. Calvert:** Bien des enquêtes ont été réalisées sur les besoins en matière de garderies dans cette province-ci, en Ontario, et en Saskatchewan, province que je connais bien, ainsi que dans l'ensemble du pays. Ces enquêtes indiquent que les parents souhaiteraient qu'un nombre beaucoup plus important de garderies soient ouvertes, mais rien n'est fait à ce propos; et si rien n'est fait à ce propos c'est qu'ici, en Ontario, par exemple, le gouvernement provincial ne veut pas payer ses 30 p. 100; 20 p. 100 étant financés par les municipalités et les 50 p. 100 restants par le gouvernement fédéral.

**M. Levine:** Peut-être que les 50 p. 100 du gouvernement fédéral ne suffisent pas à encourager les provinces à se lancer dans ce genre de programme.

**M. Blenkarn:** Autrement dit, vous pensez que le gouvernement fédéral devrait financer ce genre de programmes jusqu'au taux de 60 ou 75 p. 100?

**M. Levine:** Il est malheureusement clair que ce niveau de 50 p. 100 n'est pas suffisamment intéressant.

**Le président:** Cela m'étonnerait que ce soit le cas pour l'Ontario.

**M. Levine:** Oh, si, c'est bien le cas, parce qu'il y a une profonde pénurie de garderies dans la province où nous nous trouvons.

**Le président:** Cependant, vous ne pouvez pas dire que la province de l'Ontario n'a pas les moyens de payer sa part, ce n'est pas une province pauvre, pour l'instant.



## [Text]

**Mr. Blenkarn:** It is a question of whether they can afford to or whether they perceive they should afford to.

Are you suggesting that these types of services that are controlled by people elected in the provinces—and, in Ontario, controlled two ways by people elected municipally, as well; elected much the same as members of this task force are elected, as being responsible to their constituencies—are wrong, and that we should, as a federal group, interfere with their spending priorities and initiate programs that they are not prepared to back themselves, even though they respond to virtually the same electors? It is not the answer, but it will help.

• 1810

**Mr. Levine:** Okay, there is interference, if you want to use that term, by the federal government by virtue of the fact that you are now underwriting 50 per cent of the cost of day care. The proof of the pudding is in the eating. There is a shortage of day care facilities: the present formula is not working; and what we are saying is that the federal government should make it more attractive for the provinces to get involved in the program.

National Health and Welfare has perceived, in its own research, that there is a shortage of day care. What does National Health and Welfare do? Does it just simply say to the provinces, "Spend More"? Or does it provide more incentive? The incentive being upping that 50 per cent contribution to some figure which I do not know what it should be; but obviously the 50 per cent is insufficient.

**Mr. Blenkarn:** It is insufficient for the provinces to initiate what maybe you and I both perceive as a need.

**Mr. Levine:** Right.

**Mr. Blenkarn:** But the trouble is we are dealing with people who are elected and who presumably are not prepared to put their half up by taxing their electors to do it.

Now, obviously, they must have something going for them for they at least got elected. Certainly in Ontario they got elected in a landslide.

**Mr. Levine:** But let us say, for example, that the federal government were to put up two-thirds of the cost, 66 per cent; then, hopefully, the provinces would say, "Okay, now we can make up the difference. We can afford it and we will expand the day care program." That is what I would hope would happen.

**The Chairman:** Is that all, Mr. Blenkarn?

**Mr. Blenkarn:** That is all.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Mr. Chairman, it is getting quite late but I do have an observation and a comment or two if you will bear with me for a minute.

I am in a somewhat difficult position because I agree with quite a bit of the general philosophy that CUPE brings here this afternoon but I think some of their initial rhetoric was perhaps a bit unfortunate.

## [Translation]

**M. Blenkarn:** Il s'agit de savoir si elle peut payer sa part ou si elle estime qu'elle devrait payer sa part.

En Ontario, ces services sont contrôlés par les élus provinciaux, lesquels sont élus comme les membres de notre groupe de travail, ils sont responsables devant leurs électeurs, et ils sont contrôlés en plus par les élus municipaux. Ces services, donc, selon vous, sont mauvais et, en tant que groupe fédéral, nous devrions nous ingérer dans leurs priorités en matière de dépenses, nous devrions lancer des programmes qu'ils ne sont pas prêts à appuyer, quand bien même ils sont virtuellement responsables devant les mêmes électeurs. Ce n'est pas la solution au problème, mais cela sera utile.

**M. Levine:** Très bien; il y a ingérence, si vous voulez utiliser ce terme, du gouvernement fédéral en ce sens que, actuellement, vous financez 50 p. 100 du coût des garderies. C'est en mangeant le gâteau que l'on peut dire s'il est bon ou non. Il y a pénurie de garderies: la formule actuelle ne donne pas satisfaction; nous estimons que le gouvernement fédéral devrait prendre les mesures nécessaires pour que les provinces soient plus intéressées à ce genre de programme.

Le ministère de la Santé nationale et du Bien-être social a constaté la pénurie de garderies. Que fait-il? Se contente-t-il de demander aux provinces de «dépenser plus»? Fait-il en sorte que ce genre de programme soit plus attirant? Pour qu'il soit plus attirant, il faudrait que la contribution fédérale dépasse 50 p. 100 pour atteindre un niveau que je ne pourrais cependant vous préciser; quoi qu'il en soit, il est clair que ces 50 p. 100 sont insuffisants.

**M. Blenkarn:** Ils sont insuffisants pour que les provinces répondent à ce que vous et moi percevons comme un besoin.

**M. Levine:** C'est exact.

**M. Blenkarn:** Mais le problème c'est que nous avons affaire à des élus qui ne sont pas prêts à accroître leur part en augmentant les impôts de leurs électeurs.

Maintenant, bien sûr, ils ne sont certainement pas sans présenter un intérêt parce qu'ils se sont fait élire. Et, en Ontario, ça a été un raz de marée.

**M. Levine:** Disons par exemple que le gouvernement fédéral finance les deux tiers des coûts, 66 p. 100; on peut espérer que les provinces seraient alors prêtes à verser la différence. On peut espérer qu'elles auraient alors les moyens d'accroître le nombre des garderies. C'est ce que j'espérerais voir arriver.

**Le président:** Monsieur Blenkarn, c'est terminé?

**M. Blenkarn:** C'est tout.

**Le président:** Monsieur Weatherhead.

**M. Weatherhead:** Monsieur le président, certes, il est très tard mais j'ai quelques remarques à faire, si vous voulez bien me donner une minute.

Je me trouve dans une position quelque peu difficile parce que, bien que je souscrive au principe que le SFCP a défendu ici cet après-midi, je regrette quelque peu les arguments que ses représentants ont utilisés pour ce faire.

## [Texte]

Mr. Levine talked in terms of one problem being getting the different groups to criticize each other, the post-secondary people against the hospital people, et cetera. I am sure we can tell him, Mr. Chairman, and tell the witnesses in general, that the groups coming before us so far have bent over backwards in not criticizing each other. There has been none of that happening, which shows, I think, the high calibre of the people in all the groups that have come before us, in that they are not saying, "Give us 5 per cent more and take it from some place else." That has not happened and, frankly, I do not expect it is going to happen around the country at all.

There was talk about stifling debate on whether cuts were necessary or not. It is true that we are under a fairly restrictive mandate but if we do not like the mandate in some ways, we will be making some comments on that, as Mr. Herbert said. And all of us would like to be giving away more money than making some sort of cuts.

You can see that we have been here for quite a time this afternoon and have had a fairly wide-ranging discussion on your very good brief; and I think it has to be admitted that there has been no stifling of debate on whether we should have heavier corporate taxation or denticare or anything else along those lines.

I guess we are going to be faced around the country with talk about slashing the programs and chopping the programs, I guess that is something we are going to have to face, but of course, when the facts are put before us, even as they were by the witnesses' own figures in the early part of their brief, there will be actual increases in the coming years if the proposals of the finance ministers are carried out, increases in cash without even taking into account the tax points that are involved. So, it may be a matter of subjective analysis whether that is slashing or chopping, or not.

**Mr. Levine:** Not increases in real terms, when we take into account the inflation.

**Mr. Weatherhead:** Well, increases in the actual dollar terms at the present time.

I guess that as far as recommendations are concerned—as far as number 6 is concerned, being against double-billing by doctors, and number 7 is concerned, being against the insurance premiums that are now levied by three of our most wealthy provinces—I am in full accord on those issues.

• 1815

The chairman and Mr. Blenkarn and others have zeroed in particularly on your recommendations 4 and 5, and I guess that really is where the gist of our problems are. I may say, from a very personal point of view, that I am generally, in principle, a lot in support and in favour of what you are trying to get at in items 4 and 5. But we are coming, with respect to number 4, to the implementation of national standards in these things.

We have some national standards now but I gather you are talking in terms of much more detailed national standards for medicare and hospitalization, and some sort of standards in

## [Traduction]

M. Levine a dit que l'un des problèmes était dû au fait que l'on dressait les divers groupes les uns contre les autres, ceux du post-secondaire contre ceux des hôpitaux, etc. Nous pouvons certainement lui dire, monsieur le président, ainsi qu'à tous les témoins en général, que les groupes qui ont comparu devant nous jusqu'à présent ont veillé avec la plus grande attention à ne pas se critiquer les uns les autres. Ce sont des personnes de haute qualité qui ont comparu devant nous et aucun de nos témoins n'a proposé que l'on aille chercher 5 p. 100 à droite ou à gauche pour les lui donner. Nous n'avons rien vu de la sorte et je suis certain qu'il continuera d'en être ainsi, où que nous allions dans le pays.

On a dit que l'on étouffait le débat sur la question de savoir si les réductions étaient nécessaires ou non. Certes, notre mandat est assez restrictif mais, si nous n'en sommes pas satisfaits, nous aurons des remarques à faire, comme l'a dit M. Herbert. Tous nous préférierions octroyer plus plutôt qu'imposer des réductions.

Comme vous pouvez le constater, la séance a été longue, et la discussion à propos de votre excellent mémoire très variée; et il faut admettre que l'on n'a pas étouffé le débat sur la question de savoir s'il fallait augmenter l'impôt sur les sociétés ou s'il fallait créer une assurance pour les soins dentaires ou sur quelque autre sujet que ce soit.

Lors de nos voyages dans le pays, on nous posera sans aucun doute des questions sur les réductions des programmes mais il n'en restera pas moins que les faits montreront les augmentations qui interviendront au cours des années à venir si les propositions des ministres des Finances sont appliquées, augmentations des montants en espèces sans même tenir compte des points fiscaux. Par conséquent, quand on dit que les montants ou les programmes sont réduits, ou sabrés, on se place d'un point de vue subjectif.

**M. Levine:** Il ne s'agit pas d'augmentations en termes réels, une fois que l'on a tenu compte de l'inflation.

**M. Weatherhead:** Pour l'heure, il s'agit d'augmentations en dollars.

Je suis tout à fait d'accord avec vous pour ce qui est de votre recommandation n° 6 sur la double facturation qu'imposent les médecins et de votre recommandation n° 7 dans laquelle vous opposez aux primes d'assurance que prélèvent maintenant trois de nos provinces les plus riches.

Le président et M. Blenkarn se sont intéressés en particulier à vos recommandations 4 et 5 et je pense que c'est en fait là que se trouve l'essentiel de nos problèmes. Personnellement et, pour ce qui est des principes, j'appuie les objectifs que vous cherchez à atteindre par le biais de ces recommandations 4 et 5. La recommandation n° 4 prévoit l'élaboration de normes nationales sur ce sujet.

Il en existe déjà mais, en ce qui concerne l'assurance-maladie, l'assurance-hospitalisation et l'enseignement post-secondaire vous envisagez des normes nationales beaucoup plus



*[Text]*

post-secondary education. But we do come to the problem there of reaction from the provinces. They say that many of these things, if you get into more detailed standards, are really in their care.

You talk, in number 5, of tough renegotiations under EPF, which, at first glance, I can be theoretically in favour of. But what is the bottom line, as you asked before, a few minutes ago? What happens? Do we say, "We are not going to give you any money at all if you do not agree to our tough stance?" Or, as you were saying just a few minutes ago before I started my observations, do we take the other step? That instead of being very tough with them and saying, "Do this or else", we go into the incentive business, and, as you say: "Why 50-50? Give them two-thirds to their one-third", and then be very soft with them.

I see, Mr. Levine and other witnesses, that as probably the difficulty we are going to have. We are going to have to recommend something that is—if they get any notice from the government at all—that is kind of half feasible and half realistic; and we cannot then, probably, get into some of the other issues at the same time.

All I can do is speak for myself, but those recommendations in your numbers 4 and 5 there, whether we get tougher or more easy—and "more easy" means paying out a lot more money, not just taking away those cuts—that is what the committee is going to have to wrestle with, I think, to a fair extent.

I just wonder, whether, in closing, having regard to that more easy or more tough approach, you have any last comments on that.

**Mr. Levine:** I appreciate your comments, Mr. Weatherland.

I think, from my point of view, it would be a combination of both; that if you are more generous with the funding, then I think you are obviously in a position to be tougher with the standards. And I think some formula like that would have to be worked out.

**Mr. Weatherhead:** Even though, in days of fiscal restraint and heavy deficits, we could end up advocating the spending of a lot more money than we spend now.

**Mr. Levine:** But we have given you some suggestions on other ways in which the deficit could be diminished.

**Mr. Weatherhead:** I wish, Mr. Chairman, we had more time to discuss those other ways. But thank you very much.

**The Chairman:** I want to thank you very much, gentlemen and Ms. Gene Errington, for your submission to us. I must say that despite the fact that I disagree with a lot of the things you suggest, I agree with others, and that you are to be complimented for a very thoughtful brief.

**Mr. Levine:** But I wish you had given us more time, Mr. Chairman—not today, but more time for the preparation.

**The Chairman:** Obviously, giving you more time could not have provided us with a better job.

*[Translation]*

détaillées. Cependant, c'est là que se pose le problème de la réaction des provinces. Elles répugneraient à ce que ces normes soient par trop détaillées parce qu'elles estiment que ces domaines relèvent de leur juridiction.

À la recommandation n° 5, vous parlez de renégociations très dures en ce qui concerne le FPE et, à première vue, je suis d'accord avec vous, sur le plan théorique. Mais, comme vous le disiez il y a quelques instants, que se passe-t-il en fin de compte? Faut-il refuser tout versement aux provinces si elles n'acceptent pas notre fermeté ou bien, comme vous l'avez dit avant que je n'intervienne, faut-il prendre d'autres mesures? Au lieu d'être fermes à leur égard, faut-il faire preuve d'une certaine souplesse et leur proposer de financer les deux tiers des programmes au lieu de la moitié?

Pour moi, c'est là la difficulté à laquelle nous allons nous confronter. Il va nous falloir recommander des mesures à moitié réalisables et à moitié réalistes; et nous ne pourrions pas alors nous préoccuper aussi des autres problèmes.

Je parle certes en mon nom personnel mais j'estime que le comité va devoir répondre à la question que vous posez par le biais de vos recommandations 4 et 5, à savoir faut-il être plus fermes ou plus souples et par «plus souples» on entend verser plus et non pas simplement supprimer ces réductions.

Avez-vous quelques dernières remarques à nous faire en ce qui concerne le choix entre ces deux possibilités, à savoir plus de souplesse ou plus de fermeté?

**M. Levine:** Monsieur Weatherhead, je vous remercie pour vos commentaires.

À mon avis, il faudrait une combinaison de ces deux possibilités; si l'on est plus généreux en matière de financement, on sera alors en mesure d'être plus fermes en ce qui concerne les normes. Je pense que c'est une formule de la sorte qu'il faudrait élaborer.

**M. Weatherhead:** Cependant, en une période d'austérité fiscale et de déficits élevés cela reviendrait à proposer de dépenser plus que nous dépensons actuellement.

**M. Levine:** Nous vous avons cependant proposé d'autres manières de réduire le déficit.

**M. Weatherhead:** Monsieur le président, j'aimerais que nous disposions de plus de temps pour discuter de ces autres manières. Quoi qu'il en soit, je vous remercie beaucoup.

**Le président:** Messieurs et madame Gene Errington, je vous remercie beaucoup pour votre mémoire. Même si je ne suis pas d'accord avec vous sur un grand nombre de points, nos opinions convergent à propos de certains autres et j'estime qu'il y a lieu de vous féliciter pour ce très sérieux travail.

**M. Levine:** Monsieur le président, nous aurions aimé disposer de plus de temps, pas aujourd'hui mais pour la préparation.

**Le président:** Je suis certain que, même si vous aviez disposé de plus de temps, vous n'auriez pas pu nous fournir un meilleur travail.

[Texte]

**Mr. Levine:** Okay. We very much appreciate the time you have given us today.

**The Chairman:** I want to make the point that it is a very thoughtful brief. You have certainly paid a lot of attention to this and you certainly feel strongly about the issue; and I want to, on behalf of the members, thank you for putting the energy that you have put into this brief, in presenting it to us. It will certainly be seriously considered in the preparation of our report.

Just one minor point. When we move to append this, as there are two appendices that are already published, do the members agree that we not append those to our proceedings?

**Mr. Blenkarn:** Yes, I think that is proper. Just the brief part.

**The Chairman:** Yes, just the brief part, because the others are already public documents; so it would be just repeating—just wasting more paper and more time and everything.

So it is agreed. Mrs. Lever, you have taken note of that? Right.

The meeting is adjourned until eight o'clock this evening in this same room. Thank you very much.

#### EVENING SITTING

• 2007

**The Chairman:** Order please. We are continuing our study of the mandate we have received from the House of Commons to review the Canada Assistance Plan, the tax collection agreements, equalization, established programs financing and other fiscal arrangements between the federal government and the provinces.

We have before us this evening representatives from the Registered Nurses' Association of Ontario, Ms. Shirley Wheatley, President, and Ms. Maureen Powers, Executive Director.

We have a copy of your submission here. We can have a resolution of the committee to append it to our proceedings, so you do not have to read it verbatim for it to be on the official record. You can summarize it, if you wish, and then we would go on to questions. Is it agreed, gentlemen, that we will append this to our proceedings?

**Some hon. members:** Agreed.

**The Chairman:** Ms. Powers, will you speak?

**Ms. Maureen Powers (Executive Director, Registered Nurses' Association of Ontario):** Thank you very much, Mr. Chairman. I would just like to say that I am Maureen Powers, Executive Director of RNAO, and I would like to introduce our President, Shirley Wheatley, who will make the presentation this evening.

[Traduction]

**M. Levine:** Très bien. Nous vous remercions beaucoup pour l'occasion que vous nous avez offerte.

**Le président:** Je veux souligner qu'il s'agit là d'un mémoire très sérieux. Il est certain que vous avez accordé beaucoup d'attention à ce sujet et que vos positions sont très fermes; au nom des membres du comité, je voudrais vous remercier pour l'énergie que vous avez consacrée à la préparation et à la présentation de votre mémoire. Nous ne manquerons pas d'en tenir compte lors de la préparation de notre rapport.

Une petite remarque. Comme deux annexes vont déjà être publiées, êtes-vous d'accord pour que l'on ne joigne pas ce document-ci en annexe au procès-verbal de nos délibérations?

**M. Blenkarn:** Oui, je pense que c'est préférable. Seulement le mémoire.

**Le président:** Oui, seulement le mémoire parce que les autres documents ont déjà été publiés; ce ne serait que de la répétition—ce ne serait que gaspiller du papier, du temps, et ainsi de suite.

C'est donc d'accord. Madame Lever, vous avez noté? Très bien.

La séance est levée. Nous reprendrons nos travaux ce soir à 20 h 00 dans cette même salle. Je vous remercie beaucoup.

#### SÉANCE DU SOIR

**Le président:** La séance est ouverte. Nous reprenons l'étude du mandat que la Chambre des communes nous a confié et qui concerne l'étude du Régime d'assistance publique du Canada, des ententes sur les prélèvements fiscaux, du système de péréquation, et des arrangements fiscaux entre le gouvernement fédéral et les provinces, notamment ceux ayant trait au financement des programmes établis.

Nous recevons ce soir des représentantes de la Registered Nurses' Association of Ontario (Association des infirmières autorisées de l'Ontario) en la personne de M<sup>me</sup> Shirley Wheatley, présidente, et de M<sup>me</sup> Maureen Powers, directrice exécutive.

Nous avons ici un exemplaire de votre mémoire. Le comité peut adopter une motion proposant que votre mémoire soit joint en annexe au procès-verbal de nos délibérations ainsi vous n'aurez pas à le lire dans son intégralité. Si vous le souhaitez, vous pourrez vous contenter de le résumer et ensuite nous passerons aux questions. Messieurs, êtes-vous d'accord pour que le mémoire soit joint en annexe au procès-verbal de nos délibérations?

**Des voix:** D'accord.

**Le président:** Madame Powers, voulez-vous prendre la parole?

**Mme Maureen Powers (directrice exécutive, Registered Nurses' Association of Ontario):** Merci beaucoup, monsieur le président. Je suis Maureen Powers, directrice exécutive de la RNAO et j'aimerais vous présenter notre présidente, Shirley Wheatley, qui vous présentera notre mémoire.



[Text]

**Ms. Shriley Wheatley (President, Registered Nurses' Association of Ontario):** Thank you, Mr. Chairman, and thank you, Maureen. We certainly appreciate this opportunity to speak and are particularly delighted that we are able to be here this evening on Florence Nightingale's birthday.

**The Chairman:** Did we arrange that?

**Ms. Wheatley:** I am sure Florence in her heaven is looking down very happily on these proceedings.

I would like to start off by pointing out that in Ontario there are 95,000 nurses, almost one half the total number of registered nurses in Canada, and that the nursing profession in fact makes up two thirds of the total number of health care workers in Canada. We have a concern, which I would like to express to the committee, that a parliamentary task force such as this, addressing the issue of federal-provincial fiscal arrangements, which by its very nature implies a federal-provincial relationship, has not officially notified the provincial nursing organizations. Certainly, it notified the national association, but too late for the provincial nursing organizations to prepare the type of submission related to your committee's mandate which we believe would have provided your committee with valuable comments and recommendations.

• 2010

Having said that, as we address our submission we wish to state that we will not address in particular the issue of federal-provincial fiscal arrangements; instead, we acknowledge the submission to be made by the Canadian Nurses Association on June 1 in Edmonton to the committee and support fully the CNA submission to the Health Services Review 1979 which contained many recommendations that support maintenance of the national standards that underlie the health care insurance system in Canada.

You have before you two documents: one is the submission to your committee specifically, which I will speak to in summary; second, under blue cover, is the Registered Nurses' Association submission to Health Services Review 1979 called a "Position Paper on Health Care Costs". There are recommendations contained within that document that, again, I will speak to briefly in a moment.

The Registered Nurses' Association of Ontario, representing the professional interests of nurses in the province, is a voluntary organization with a membership of approximately 15,000. Our activities include, first, the identification of health care issues, particularly as they relate to nursing, and bringing them to the attention of government, the public and the nursing profession and, secondly, the identification of problems and the participation in activities related to nursing education in practice. I think those are the two activities that our being here tonight really represents.

We did present, as I mentioned, a brief to the Health Services Review and we certainly appreciate the opportunity tonight to speak to this committee.

[Translation]

**Mme Shirley Wheatley (présidente, Registered Nurses' Association of Ontario):** Merci, monsieur le président, merci Maureen. Nous sommes ravies de l'occasion qui nous est offerte de prendre la parole devant vous, d'autant plus que c'est aujourd'hui l'anniversaire de Florence Nightingale.

**Le président:** Est-ce que cela avait été prévu?

**Mme Wheatley:** Je suis certaine que Florence est ravie de suivre ces délibérations depuis sa place au paradis.

J'aimerais tout d'abord signaler qu'il y a en Ontario 95,000 infirmières, presque la moitié du nombre total des infirmières autorisées du Canada et que les infirmières représentent en fait les deux tiers du nombre total des travailleurs du secteur des soins de santé au Canada. Il est un point qui nous préoccupe et dont nous aimerions faire part à votre comité. Vous êtes un groupe de travail parlementaire qui étudie les accords fiscaux fédéraux-provinciaux, ce qui concerne donc les relations fédérales-provinciales, mais vous n'avez pas donné officiellement avis de vos travaux aux associations provinciales d'infirmières. Certes, vous avez averti l'association nationale mais trop tard pour que les associations provinciales d'infirmières aient pu préparer des mémoires pour répondre au mandat de votre comité ce qui, pensons-nous, vous aurait permis d'obtenir des commentaires et des recommandations fort valables.

Cela étant dit, nous aimerions préciser que notre mémoire ne se concentre pas en particulier sur la question des accords fiscaux fédéraux-provinciaux; en fait, nous appuyons celui que l'Association des infirmières canadiennes déposera devant votre comité le 1<sup>er</sup> juin à Edmonton et nous appuyons aussi pleinement celui que l'AIC a déposé en 1979 dans le cadre de l'Examen des services de santé. Ce mémoire contenait beaucoup de recommandations en vue du maintien des normes nationales qui sous-tendent dans notre pays le système d'assurance en matière de soins de beauté.

Vous êtes saisis de deux documents: d'une part il y a le mémoire que nous déposons devant votre comité et dont je ferai un résumé; d'autre part, sous la couverture bleue, il y a le mémoire que la Registered Nurses' Association a déposé en 1979 dans le cadre de l'Examen des services de santé et intitulé «Position Paper on Health Care Costs» (Prise de position sur le coût des soins de santé). Je parlerai brièvement des recommandations qui figurent dans ce document.

La Registered Nurses' Association of Ontario, qui représente les intérêts professionnels des infirmières de la province, est une association bénévole de 15,000 membres environ. Nos activités consistent premièrement à identifier les problèmes en matière de soins de santé, notamment en ce qui concerne les soins infirmiers, et à les porter à l'attention du gouvernement, du public et des infirmières; et, deuxièmement, à identifier les problèmes en matière d'enseignement pratique des sciences infirmières et à participer aux activités se rattachant à cet enseignement. C'est je pense en vertu de ces deux activités que s'explique notre présence parmi vous ce soir.

Comme je l'ai indiqué, nous avons déposé un mémoire dans le cadre de l'Examen des services de santé et nous sommes ravies de l'occasion qui nous est offerte de prendre la parole devant vous ce soir.

## [Texte]

We developed our "Position Paper on Health Care Costs" in January 1980, actually, just prior to the call for submissions to the Health Services Review, in response to the association's concern about the number of physicians opting out of the provincial health insurance plan and the effect that that action has had on access to health care. However, we feel that some of the recommendations that we made in that submission certainly are appropriate for this committee, so it is the recommendations of that paper that really are the basis of our presentation today.

We also would like to express our very strong support for the document of the Canadian Nurses Association, "Putting Health into Health Care", which was a submission again to the Health Services Review from that organization. The philosophies expressed in that document and the suggestions made in it certainly are in accordance with our own beliefs.

In his recommendation in chapter 7 of his final report, Justice Emmett Hall in fact urges government very strongly to consider this document and the recommendations that are in it.

The nursing profession, and particularly those of us within the organization, in considering all of this really have a concern about the fact that the health care system has been directed by physicians and is perceived by the public as revolving around physicians. Certainly, this approach has been successful in large measure. Progress has been made in many areas of health care, particularly disease control and technology and so on, and to question the importance of such advances of course would be naive. However, what has happened is that we have a very expensive, illness-oriented system which has a curative focus rather than a preventive one.

Of course, Marc Lalonde in his document in the early 1970s, "A New Perspective on the Health of Canadians", underlined the fact that health care consumers have a right and a responsibility to make decisions regarding their health behaviour and health care. Nurses, I believe, are in a good position to help consumers take their positions. As we all now recognize, health and illness are affected by multiple factors and we need to assist consumers in recognizing and controlling these factors. Health care providers must utilize more consciously health promotion techniques such as planned health education approaches and the adoption of a more aggressive advocacy role.

• 2015

In the back of the document under blue cover, "A Position Paper on Health care Costs", RNAO's statement on patient advocacy is included.

We are pleased, for example, with some of the activities within the province, specifically a move by the Ontario Ministry of Health to include a requirement for the public health units to provide programs in personal and family health which are health promotional in nature in their proposed public health legislation. We see this as a positive step.

## [Traduction]

C'est en janvier 1980, juste avant qu'ait été lancée l'invitation à envoyer des mémoires dans le cadre de l'Examen des services de santé, que nous avons préparé notre Prise de position sur le coût des soins de santé pour répondre aux préoccupations que les membres de notre association nourrissaient devant le nombre des médecins qui se dissociaient des régimes provinciaux d'assurance-santé et devant l'incidence de telles mesures sur l'accès aux soins de santé. Cependant, comme nous estimons que certaines des recommandations que nous avons formulées dans ce mémoire sont tout à fait appropriées pour votre comité, nous en avons fait la base de notre préparation d'aujourd'hui.

Nous aimerions indiquer que nous appuyons entièrement le mémoire que l'Association des infirmières canadiennes a déposé dans le cadre de l'Examen des services de santé et intitulé «Pour revitaliser le système de santé». Les principes et les propositions exprimés dans ce document vont totalement dans le sens de nos opinions.

Au chapitre 7 de son rapport final, M. le juge Emmett Hall exhorte le gouvernement à tenir compte de ce document et des recommandations qui y sont formulées.

Les infirmières, et en particulier les membres de l'Association, s'inquiètent de ce que le système des soins de santé soit dirigé par les médecins et du fait que le public le perçoive comme un système construit en fonction des médecins. Certes, dans une large mesure, cela a permis des succès. Des progrès ont été réalisés dans bien des secteurs des soins de santé, notamment en ce qui concerne la lutte contre les maladies, la technologie et ainsi de suite et ce serait être naïf que de remettre en cause l'importance de ces progrès. Cependant, nous avons maintenant un système très coûteux, structuré en fonction de la maladie et qui joue plus un rôle curatif qu'un rôle préventif.

Bien sûr, dans le document qu'il a publié en 1970 et intitulé «Nouvelle perspective de la santé des Canadiens», M. Marc Lalonde soulignait le fait que les consommateurs de soins de santé ont le droit et la responsabilité de prendre des décisions en ce qui concerne leur santé et les soins de santé. J'estime que les infirmières sont en bonne position pour aider les consommateurs à choisir leur attitude. Comme nous le savons tous, la santé et la maladie dépendent d'une multiplicité de facteurs que nous devons aider les consommateurs à reconnaître et à contrôler. Les prestataires de soins de santé doivent utiliser plus consciemment les techniques de promotion de la santé, comme l'éducation en matière de planification de la santé, et adopter un rôle plus dynamique de défense des malades.

A la fin du document sous couverture bleue, «Prise de position sur le coût des soins de santé», vous trouverez la déclaration de la RNAO sur la défense des malades.

Par exemple, nous sommes ravies de certaines mesures qui ont été prises dans la province, et notamment de ce que le ministère de la Santé de l'Ontario ait inclus dans son projet de loi sur la santé publique une disposition exigeant des unités publiques de soins de santé qu'elles lancent des programmes de promotion de la santé à l'intention des particuliers et des familles. Nous estimons qu'il s'agit là d'une mesure positive.



*[Text]*

Changes, certainly, in health care over the past 10 years have been very rapid: people are living longer, many diseases have been controlled or eradicated, others have emerged. Many of these emerging problems are lifestyle-related and are problems over which individuals and communities do have some measure of control.

In talking with nurses and looking at this whole problem, I think it has been their experience that consumers are increasingly demonstrating a willingness to accept more responsibility and are demanding more say in their health care. Our approaches to health care delivery, I think, have to change in response to that community demand. Different uses of health personnel, alternatives to traditional solo physician practice, strategies for health promotion and a change in funding arrangements all must be part of the planning of health care for the future.

Again, we have expressed concern about the disproportionate allocation of funds to the active treatment sector. Historically, government have provided the major portion of funds to health services with an institutional base and lip service has been paid to shifting more funds to community services, which is slow in happening.

Certainly, more funding recently has been made available to home care services and programs of that sort, but little planning has gone into the consequences of the change of approach on community resources, both physical and human. Additional background support services, such as homemaking and meals and transportation, are necessary. Patients are discharged from hospital earlier and complicated treatment technologies are moving into the community.

Community nursing services, particularly, are feeling pressure to respond to this change and the result has been to sacrifice some of their primary promotional activities, which certainly are very important, in favour of disease monitoring and crisis intervention. Although we accept and adopt the philosophy of caring for patients in the community rather than institutions, we warn against reducing the numbers of hospital beds before the appropriate communication patterns are established between the institutions and community agencies and the appropriate community services are operative.

"Primary care nursing" is a phrase that is coming up increasingly in nursing. We believe that a nurse operating in that way has a particular contribution to make to provision of health care. We have, as I have mentioned, a health-oriented approach and we have skills in clinical practice and an ability to co-ordinate family health and act as consumer advocates, which is to provide a service previously unavailable, we believe, to the public. However, restrictions on operating in that way

*[Translation]*

Ces dix dernières années, les transformations dans le domaine des soins de santé ont été très rapides: la durée de la vie a augmenté, beaucoup de maladies sont maintenant contrôlées ou ont totalement disparu, d'autres ont apparu. Beaucoup de ces nouveaux problèmes sont dus au mode de vie et ce sont des problèmes sur lesquels on peut exercer un certain contrôle, individuellement et collectivement.

Les infirmières ont constaté que, de plus en plus, les consommateurs sont prêts à assumer une plus grande responsabilité en matière de soins de santé et ils exigent d'avoir leur mot à dire à ce sujet. Je pense que nous devons modifier notre attitude en matière de prestation des soins de santé pour répondre aux changements de la demande du public. Lors de la planification des soins de santé pour l'avenir, il faudra envisager d'autres formes d'utilisation du personnel de santé, prévoir des solutions différentes de la situation dans laquelle le médecin agit seul, élaborer des stratégies de promotion de la santé et procéder à une modification des arrangements en matière de financement.

En outre, nous avons exprimé notre inquiétude devant les montants disproportionnés affectés au secteur du traitement actif. Le gouvernement a toujours consacré la plus grande partie de son financement aux soins de santé offerts en établissement et il n'a fait qu'exalter les efforts de ceux qui souhaitaient que l'on consacre plus aux services communautaires, et les progrès à ce titre sont lents.

Certes, récemment, les programmes de soins à domicile et les autres programmes de ce type ont fait l'objet d'un financement plus important mais on n'a pas vraiment cherché à prévoir les conséquences du changement d'attitude à l'égard des ressources des communautés, tant matérielles que humaines. Il est nécessaire d'offrir des services de soutien supplémentaires comme les services d'aide ménagère, de repas et de transport. Les malades quittent les hôpitaux plus tôt et des technologies de traitement complexes se répandent maintenant dans les communautés.

Ce sont en particulier les services de soins infirmiers communautaires qui font l'objet de pressions pour répondre à cette évolution de sorte qu'ils ont dû reléguer au second plan certaines de leurs activités très importantes de promotion de la santé au profit d'activités de surveillance des maladies et d'intervention en cas de crises. Nous appuyons certes le principe selon lequel il est préférable de traiter les malades dans leur environnement plutôt que dans des établissements de soins mais, cependant, nous souhaitons mettre en garde contre toute réduction du nombre des lits d'hôpitaux tant que l'on n'aura pas établi des modes de communication satisfaisants entre les établissements et les organismes communautaires et tant que des services communautaires appropriés n'auront pas été ouverts.

Dans notre profession, on entend de plus en plus parler de «soins infirmiers primaires». Nous estimons qu'un infirmier ou qu'une infirmière qui offre ce genre de service joue un rôle particulier dans la prestation des soins de santé. Nous nous situons sur le plan de la santé, nous avons des compétences en matière de soins cliniques, nous sommes capables de coordonner la santé de la famille et de défendre les consommateurs, c'est-à-dire de fournir un service qui, auparavant, n'était pas

## [Texte]

continue to plague us; those restrictions vary with geographical location and the availability of physicians. The example, of course, is the nurse in the northern area who is able to practice in a particular way where there is an undersupply of physicians.

Two of the major barriers to optimum use of primary care nurses are the two very, I think, contentious issues of "delegation of medical acts" and method of payment. It is our view—and this is certainly in consultation with the College of Nurses of Ontario—that if the primary care nurse particularly follows generally accepted standards of nursing practice and is especially prepared to perform expanded role functions, she is engaged in the practice of nursing. The second point is that in regard to remuneration we believe nursing services should be reimbursed under the provincial health insurance plan.

## • 2020

The issue of nurses as points of entry to the health system, which again the CNA document talks about, is that currently under our system the physician very often is the only point of entry. That is neither cost effective nor efficient. In other words, the person whom the client first approaches in most instances has to be a physician, and then a decision is made about other kinds of care.

It means that the use of expensive curative service is encouraged when often what is needed is some assistance with health management or referral to an appropriate alternative. This is a role for which physicians are ill prepared and in fact often reluctant to perform. Nurses already work very effectively as points of entry to the system in areas such as occupational health and public health nursing. They are ideally located to identify existing and potential problems and to assist patients and clients in planning for their resolution.

Another example of where nurses are underutilized and in fact could contribute in large measure to a better quality of health care and a better experience for consumers is in the whole area of maternal and child health. We expressed concern to the Ministry of Health in the allocation of funds for services to pregnant women that has just occurred within the province. Certainly, without condemning the importance of sophisticated techniques in treatments to deal with the high-risk mother and infant, we believe that efforts to reduce perinatal mortality and morbidity must also include plans for health promotion programs and primary illness prevention. Alternative birthing opportunities that are more homelike in nature and that include minimum intrusion should be made available to care for normal and healthy pregnancies. We support the utilization of qualified nurses midwives with the proper support and referral services.

## [Traduction]

offert au public. Cependant, pour pouvoir agir de la sorte, il nous faut surmonter toutes sortes d'entraves; ces entraves varient suivant l'emplacement géographique et l'existence de médecins. Par exemple, bien sûr, il y a le cas de l'infirmière dans les régions nordiques qui peut agir de telle ou telle façon quand les médecins sont en nombre insuffisant.

Il y a deux barrières importantes à l'utilisation optimale des infirmières offrant les soins primaires et cela se rattache à ces sujets controversés que sont la «délégation des actes médicaux» et la méthode de paiement. Nous sommes d'avis, après consultation avec le College of Nurses of Ontario, que toute infirmière qui offre des soins primaires en respectant les normes généralement acceptées dans la profession et qui est en mesure d'assurer les soins complémentaires a entièrement droit de cité dans la profession. Deuxièmement, en ce qui concerne la rémunération, nous estimons que les services infirmiers devraient être remboursés par le régime d'assurance-santé de la province.

Parlons maintenant des infirmières en tant que points d'entrée dans le système de santé, ce dont parle également le document de l'AIC. A l'heure actuelle, c'est très souvent le médecin qui est le seul point d'entrée dans le système. Nous estimons que cet état de chose n'est ni rentable ni efficace. Autrement dit, dans la plupart des cas, c'est à un médecin que le client a d'abord affaire et c'est ensuite qu'une décision est prise à propos des autres types de soins.

Cela veut dire que l'on encourage l'utilisation de services curatifs coûteux alors que souvent ce dont le client a besoin, c'est d'une certaine forme d'aide en matière de gestion de la santé ou d'être dirigé vers un service approprié. Il s'agit là d'un rôle pour lequel les médecins sont mal préparés et qu'ils répugnent d'ailleurs souvent à assumer. Les infirmières sont déjà très efficaces en tant que points d'entrée dans le système en ce qui concerne la médecine du travail et la santé publique. Elles se trouvent dans une situation idéale pour identifier les problèmes réels et potentiels et pour aider les patients et les clients à prendre les mesures nécessaires pour résoudre ces problèmes.

Les infirmières sont également sous-utilisées en ce qui concerne la santé de la mère et de l'enfant alors qu'elles pourraient contribuer à améliorer la qualité des soins de santé et à enrichir l'expérience des consommateurs. Nous avons exprimé au ministère de la Santé nos préoccupations à propos du montant des fonds que la province vient d'affecter au titre des services pour les femmes enceintes. Sans vouloir condamner l'importance que jouent les techniques très élaborées en ce qui concerne le traitement des mères et des bébés qui présentent des risques importants, nous estimons que les efforts visant à réduire la mortalité et la morbidité à la naissance devraient également inclure des programmes de promotion de la santé et de prévention contre les maladies primaires. Dans le cas des grossesses normales et saines, on devrait favoriser l'accouchement dans le milieu familial en réduisant au minimum toute forme d'intrusion. Nous appuyons l'idée de faire appel à des sages-femmes qualifiées, aidées par les services de soutien et de secours appropriés.



*[Text]*

The growth and development of infants and children, in counselling and in screening and management of minor disorders, have been demonstrated to be both cost efficient and effective. We certainly share CNA's concern about epidemiological problems in this age group. In relation to communicable disease, certainly the utilization of nurses in the administration of immunization makes great sense. We also share CNA's concern about adolescent pregnancies and their influence on family life, education and employability for these young women, and we strongly emphasize the need for education of parents, children and professionals in the area of family life and sexuality.

Those are just some of the examples of the ways that nurses could in fact be more effectively utilized. Nurses are certainly working in some of these areas now, but there is a role there to play that certainly could be expanded to the benefit of the clients and patients.

In summary, in the past year we have begun to receive feedback about a shortage of nurses in the province. In particular, our employment referral service has documented many more available positions compared to the same time last year. We see this problem being a serious one as we project the need for nursing services into the future, particularly with the increasing number of elderly in the population. Mentally and physically handicapped are relocating from the institution to the community—I mentioned that shift to the community before—and occupational health services are also expanding. Active treatment in its complexity is requiring a lower nurse-patient ratio, again in many instances because the age and the level of illness of patients in hospitals now is more severe. All these trends suggest a need for more nursing personnel.

Although undocumented, informal feedback indicates a continuing trend for nurses to choose the more highly technical settings over the community, where nurses are expressing frustration about the factors we have discussed such as access to the system, allocation of funds, restrictions to practice and organization of services. Therefore, to provide a more equal distribution of nurses through the system, incentives are needed to make community nursing more attractive. Government as a service provider must address and resolve these problems if the total needs of the community are to be met successfully.

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I would just add that I believe there are activities going on across the country addressing the whole issue of nursing manpower, and it is a very complex subject. Certainly many of

*[Translation]*

En ce qui concerne la croissance et le développement des bébés et des enfants, les services de conseils, de dépistage et de gestion des troubles mineurs se sont révélés à la fois rentables et efficaces. Nous partageons les préoccupations que l'AIC a exprimées à propos des problèmes épidémiologiques des membres de cette tranche d'âge. En ce qui concerne les maladies contagieuses, il est certain qu'il est tout à fait logique de faire appel à des infirmières pour gérer les campagnes de vaccination. Nous partageons également les préoccupations que l'AIC a exprimées à propos des adolescentes qui se retrouvent enceintes et de l'influence de cette situation sur leur vie familiale, sur leur éducation et leurs possibilités d'emploi. Nous insistons fermement sur le fait qu'il est nécessaire d'éduquer les parents, les enfants et les professionnels en ce qui concerne la vie et la sexualité de la famille.

Ce ne sont là que quelques exemples des domaines où les infirmières pourraient être en fait utilisées avec plus d'efficacité. Elles jouent certes déjà un rôle dans ces divers domaines mais ce rôle pourrait être élargi dans l'intérêt des clients et des patients.

En résumé, au cours de l'année qui vient de s'écouler, nous avons commencé à recevoir des réactions sur la pénurie d'infirmières dans la province. En particulier, notre service de placement fait état pour la période actuelle d'un nombre de postes disponibles supérieur à celui de la période équivalente l'année dernière. Nous estimons qu'il s'agit là d'un problème grave car nous prévoyons pour l'avenir une augmentation du besoin de services infirmiers, pour répondre notamment à l'augmentation du nombre des personnes âgées. J'ai indiqué précédemment qu'il y avait un déplacement vers les services communautaires et il se trouve justement que les handicapés physiques et mentaux quittent de plus en plus les établissements et font donc maintenant appel aux services de soins communautaires alors que, par ailleurs, les services de médecine du travail vont en s'élargissant. Du fait de sa complexité, le traitement actif exige un rapport infirmière-malade plus faible, et, là encore, dans bien des cas, il s'agit de malades âgés, hospitalisés, et dont les maladies sont graves. Toutes ces tendances soulignent le besoin d'un personnel infirmier plus important.

Bien que nous n'ayons aucune preuve à l'appui, certaines réactions officieuses nous indiquent que les infirmières continuent à préférer les établissements à niveau technique élevés au milieu communautaire, dont les infirmières sont mécontentes pour les raisons auxquelles nous avons fait allusion précédemment, à savoir l'accès au système, l'affectation de fonds, les restrictions à la pratique et l'organisation des services. Par conséquent, pour assurer une répartition plus égale des infirmières dans l'ensemble du système et donc pour faire en sorte que le service infirmier en milieu communautaire soit plus attirant il est nécessaire de prévoir certaines mesures de stimulation. En tant que prestataire de services, le gouvernement devrait chercher à résoudre ces problèmes s'il veut que l'ensemble des besoins de la collectivité soient satisfaits.

J'aimerais simplement ajouter que diverses mesures ont été prises dans l'ensemble du pays à propos de la main-d'œuvre infirmière, et il s'agit d'un sujet très complexe. Il est certain

*[Texte]*

the difficulties within the system have to do directly with funding and emphasis on priorities that are placed on various activities within the system.

On page 3 of the blue-covered document are our recommendations. The first one, which I think demonstrates how much of a willingness there is on the part of nurses to take some significant responsibility in this whole issue, is that individual nurses as health care providers—and I guess I could also add as health care consumers; we are all in that position at some point—become more knowledgeable about health care costs; second, that regardless of the setting consumers be given a clear explanation of their health care costs. I think that as consumers with a national health scheme we have become a bit removed from the reality of how much our health care costs us as taxpayers and as individuals.

Third, we recommend that nurses, in their daily contact with health care consumers, become more aggressive in educating them to a more effective use of the system in relation to cost, appropriateness and alternatives; fourth, that before cut-backs are made to institutional facilities, planning take place between various ministries and local agencies to ensure that alternatives to care are established and viable; and that in areas where district health councils are in place they should play a major role in the planning process.

Our fifth recommendation is that the relevant ministries allocate funds for the development of community health services to offset the need to admit patients unnecessarily to institutional facilities, particularly for assessment and minor treatment; sixth, that the relevant ministries make funds available to encourage organized grouping of health and social services and that funding be on a global basis such as the community health centres in Ontario and the CLSCs in Quebec and so on. This has not been supported in Ontario in any large measure.

Finally, we recommend that nurses lobby government—and here we are—to require that physicians inform their patients, prior to consultation, of their status within the Ontario Health Insurance Plan and of any differential between their fee and the OHIP rate. I guess that speaks very specifically to the whole issue of funding.

The only other comment I would make before I entertain any questions is just that your committee is also concerned with funding to educational institutions, and certainly we have some concerns in the whole area of funding to post secondary school education because of course nurses are also educated in

*[Traduction]*

que beaucoup des difficultés qui se posent se rattachent directement à la question du financement et aux priorités accordées aux diverses activités de l'ensemble du système.

Nos recommandations figurent à la page 3 du document à couverture bleue. La première, qui montre je pense combien les infirmières veulent assumer des responsabilités importantes à propos de l'ensemble de ce problème, précise que, en tant que prestataires de soins de santé—et j'ajouterais aussi en tant que consommatrices de soins de santé parce que nous nous trouvons toutes dans cette situation à un moment ou à un autre—les infirmières ont une plus grande connaissance des coûts des soins de santé; par la deuxième recommandation nous souhaitons que, indépendamment du milieu dans lequel ils se trouvent, on donne aux consommateurs une explication claire des coûts des soins de santé qu'ils reçoivent. J'estime que, en tant que consommateurs bénéficiant d'un régime national de protection de la santé, nous n'avons qu'une idée vague de ce que nous coûtent, en tant que contribuables et en tant que particuliers, les soins de santé que nous recevons.

Troisièmement, nous recommandons que, puisqu'elles sont en rapport quotidien avec les consommateurs de soins de santé, les infirmières leur apprennent à utiliser le système plus efficacement en leur donnant des indications sur les coûts, sur l'utilité des services disponibles compte tenu de leurs besoins et sur les différentes possibilités qui leur sont offertes; quatrièmement, nous recommandons que, avant de procéder à des réductions dans les établissements de soins de santé, les divers ministères et organismes locaux prennent des mesures de planification pour s'assurer que d'autres services de soins ont été créés et qu'ils sont viables; nous estimons par ailleurs que, dans les districts, les conseils en matière de santé devraient jouer un rôle important dans ce processus de planification.

Cinquièmement, nous recommandons que les ministères appropriés accordent des crédits pour la création de services de santé communautaires pour ne pas que les patients n'ayant besoin que d'un examen médical ou de traitements mineurs aient à s'adresser aux établissements de soins; sixièmement, nous recommandons que les ministères appropriés accordent des crédits pour encourager le regroupement des services sociaux et des services de santé et nous recommandons à ce propos que le financement soit octroyé de façon globale; nous pensons à ce sujet aux centres de soins communautaires de l'Ontario, aux CLSC du Québec, et ainsi de suite. En Ontario, ces centres n'ont pas fait l'objet d'un soutien très actif.

Finalement, nous recommandons que les infirmières exercent des pressions auprès du gouvernement, ce que nous faisons actuellement, pour que l'on exige des médecins que, avant la consultation, ils informent leurs patients de leur situation à l'égard du Régime d'assurance-maladie de l'Ontario et de toute différence entre leurs honoraires et les taux du RAMO. Je suppose que cela concerne très directement la question du financement.

Je crois savoir que votre comité se préoccupe également du financement des établissements d'enseignement; le financement des établissements post-secondaires nous préoccupe également parce que c'est justement là que les infirmières sont formées. Quoi qu'il en soit, je vais maintenant m'interrompre



[Text]

that sector. However, I will stop at that and both Maureen and I will be very happy to answer any questions you have.

**The Chairman:** Thank you very much, Ms. Wheatley. Mr. Blaikie, do you have any questions?

**Mr. Blaikie:** Just a few, Mr. Chairman. I have no particular problems with the view that you present and the concerns that you express. I just have a few questions about some things you mentioned. I share your concern about deinstitutionalization, for instance, and the fact that if this does not happen along with increased support for the ability of the community to handle these problems which it is now the conventional wisdom to say the community ought to handle, then it becomes a mistake. So this really has to happen because it is a good thing to do, not because it is a cost-efficient thing to do, because it may well be that when it was tried in a full way it might be even more expensive. I do not really know, and I do think anybody does because it has never really been tried, but it would better for the patient. So I think part of the problem where this is happening now is that it is being done for the wrong reasons, by and large. I think that is one of the things you wanted to warn us about and I appreciate that.

Can you expand on the primary care i Is that sort of half nurse, half doctor, or what is that?

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**Ms. Wheatley:** No. I appreciate your confusion because I guess within the profession certainly we are getting our act together about primary care nursing. I think what you are getting confused with is the nurse practitioner which is a role that was developed for a number of reasons where a nurse, a post-RN, went back to school to a university program, generally about a year's length, and learned primary physical assessment skills, as well as some other history taking, counselling and various other activities. The physical assessment skills were the things that people really focused on because those were the things traditionally seen as the kinds of things doctors did. That experiment, if I can call it that, is really floundering because of the resistance of the medical profession to allow nurses to practise more independently and to take over some of those functions. That is one issue.

But primary nursing, in fact, is now being taught, I think in a lot of schools. The nurse is the first contact for the patient, and that could be in a community setting, as a public health nurse, as the nurse who sees the person in emergency or, in fact, the nurse who sees a patient in a bed in the hospital, and is the first person to totally assess what is going on with and for that patient.

**Mr. Blaikie:** Then, in what context were you referring to your desire to get into, at least as I understood it, a fee-for-service relationship? You said you wanted it paid under the plan.

[Translation]

et, avec Maureen, nous serons ravies de répondre aux questions que vous voudrez bien nous poser.

**Le président:** Merci beaucoup M<sup>me</sup> Wheatley. Monsieur Blaikie, avez-vous des questions?

**M. Blaikie:** Quelques-unes, monsieur le président. Je n'ai aucun problème particulier en ce qui concerne l'opinion que vous nous avez présentée et les préoccupations que vous avez exprimées. J'aurais simplement quelques questions à poser à propos de vos remarques. Je partage bien sûr vos préoccupations. Vu que la tendance actuelle veut que, de préférence aux établissements de soins, on mette l'accent sur les services communautaires, ce serait bien sûr une erreur que de ne pas venir en aide à ces services. Il est nécessaire de prendre des mesures à ce propos, parce que c'est une bonne chose, non pas parce que c'est rentable car, une fois pleinement mis à l'essai, ces services risquent de s'avérer encore plus coûteux. Pour ma part, je ne connais pas la réponse à une telle question, et je ne pense pas que qui que ce soit d'autre la connaisse parce qu'on n'en a encore jamais fait l'essai, mais ce serait préférable pour les patients. Le problème qui se pose est dû en partie au fait que les mesures qui sont prises actuellement à ce propos ne le sont en général pas pour les bonnes raisons. C'est là l'une des choses contre lesquelles vous avez voulu nous mettre en garde et je vous en remercie.

J'aimerais que vous nous donniez quelques précisions sur les soins primaires. Je ne sais pas exactement de quoi il s'agit... parlez-vous à ce propos de demie-infirmière, de demi-médecin?

**Mme Wheatley:** Non. Je comprends que vous ayez l'esprit quelque peu confus parce que la profession est actuellement en train de s'organiser en ce qui concerne les soins infirmiers primaires. Ce qui vous trouble, je pense, c'est le cas de l'infirmière praticienne, dont le rôle avait été créé pour un certain nombre de raisons. Une infirmière, ayant déjà obtenu son diplôme d'infirmière autorisée, retournait suivre une année d'étude dans une université au cours de laquelle elle apprenait à ausculter, à se renseigner sur les antécédents des patients, à donner des conseils et ainsi de suite. Beaucoup de personnes ont été surprises par ces cours d'auscultation parce que l'on a toujours estimé qu'il s'agissait là d'une tâche incombant aux médecins. Cette expérience, si je puis l'appeler ainsi, est bien loin d'avoir été couronnée de succès parce que la profession médicale répugne à permettre aux infirmières d'exercer avec plus d'indépendance et d'assumer certaines des fonctions des médecins. C'est un premier problème.

Cependant, je pense qu'un grand nombre d'écoles offrent maintenant des cours de soins infirmiers primaires. L'infirmière est la première personne avec laquelle le patient entre en contact. Et cela pourrait être le cas au sein d'un centre de soins communautaires, comme l'infirmière d'hygiène publique, comme l'infirmière qui voit le malade dans le cas d'une urgence ou, en fait, l'infirmière qui voit le malade dans un lit d'hôpital. C'est la première personne qui peut évaluer totalement ce qui se passe pour le malade.

**M. Blaikie:** A propos de quoi disiez-vous que vous souhaitiez être payées en honoraires, si j'ai bien compris? Vous avez déclaré que vous souhaitiez que vos services soient financés

[Texte]

Is there any sort of aspirations here to get into the fee-for-service mode of payment for some of these things you are talking about?

**Ms. Wheatley:** No, and I say no because, first of all, CNA says in their document that all health care providers should be under salary which, of course, Justice Hall rejected, but that certainly is something that we believe.

**The Chairman:** Were you suggesting doctors also?

**Ms. Wheatley:** Yes, that is what the CNA said, and Justice Hall's reaction was exactly the same as yours.

**The Chairman:** What did you see in my reaction?

**Ms. Wheatley:** Well, just that you mean doctors, too.

**The Chairman:** That was just to mean, did you mean doctors, too; nothing else.

**Ms. Wheatley:** Okay, no value judgment. What we are saying is that nurses do not I believe, want to be on fee for service because that puts them in exactly the same bind as physicians in justifying their activities financially on the basis of numbers of people they see in a day.

Again, to use the community health nurse or the public health nurse as an example, some of the activities that she provides should be included within the system. There is no provision under the health insurance plan for the kinds of things that nurses do which are complementary to but different than those things that the physician does. The best arrangement would be for global funding situations like community health centres where everyone in fact is on salary but where there is some value placed on the kinds of activities that nurses provide.

**Mr. Blaikie:** So, I can see you are not . . .

**Ms. Wheatley:** We are not talking about fee for service, no.

**Mr. Blaikie:** But you are talking about sort of revamped job allocations or job description and that the main obstacle to that is physician jealousy of the parameters of their work, so to speak.

**Ms. Wheatley:** One could say that.

**Mr. Blaikie:** Yes. I think it is self evident that you would be very supportive of community health clinics where people who are working out in the community would be nurses or other people who would create points of entry other than physicians.

**Ms. Wheatley:** Because we believe that, in fact, the quality of care is as good if not better, for the simple reason that nurses can provide an aspect of care that is not, in many instances, being provided, and at the same time it would be more cost efficient and effective.

[Traduction]

dans le cadre du régime. Pourquoi souhaitez-vous voir établir un système d'honoraires pour ces services?

**Mme Wheatley:** Non, pas du tout, parce que, tout d'abord, dans son mémoire, l'AIC déclarait que tous les prestataires de soins de santé devraient être salariés ce que, bien sûr, le juge Hall a rejeté mais, pour notre part, nous y sommes certainement favorables.

**Le président:** Et les médecins aussi?

**Mme Wheatley:** Oui, c'est ce que l'AIC a proposé, et le juge Hall a réagi exactement comme vous.

**Le président:** Qu'avez-vous vu dans ma réaction?

**Mme Wheatley:** Que vous voulez dire les médecins aussi.

**Le président:** Je voulais simplement vous demander si vous vouliez que ce soit aussi le cas des médecins; rien d'autre.

**Mme Wheatley:** Très bien, ce n'est pas un jugement de valeur. Nous disons que les infirmières ne veulent pas, à mon avis, recevoir des honoraires parce que cela les mettrait exactement dans la même position que les médecins en ce qui concerne la justification financière de leurs activités sur la base du nombre des personnes qu'elles voient chaque jour.

L'infirmière des services de santé communautaires ou l'infirmière d'hygiène publique offre certains services qui devraient être inclus dans le système. Le régime d'assurance-maladie ne prévoit rien en ce qui concerne les services qu'offrent les infirmières services, qui viennent compléter l'acte médical, tout en étant différent. La situation la plus souhaitable consisterait à accorder un financement global aux centres de soins communautaires ou chacun serait salarié mais où l'on accorderait une certaine valeur aux services qu'offrent les infirmières.

**M. Blaikie:** Par conséquent, je vois que vous n'êtes pas . . .

**Mme Wheatley:** Nous ne parlons pas d'honoraires, non.

**M. Blaikie:** Mais vous parlez en quelque sorte de nouvelles tâches ou de nouvelle description de fonctions et le principal obstacle à ce propos c'est le fait que les médecins sont jaloux des paramètres de leur travail, en quelque sorte.

**Mme Wheatley:** C'est ainsi que l'on pourrait présenter la chose.

**M. Blaikie:** Oui. Il est clair que vous seriez tout à fait favorables à la création de cliniques communautaires où ce ne serait pas les médecins qui assumeraient le rôle de point d'entrée mais des infirmières ou d'autres personnes travaillant dans la communauté.

**Mme Wheatley:** Parce que nous estimons que, en fait, la qualité des soins n'en serait qu'aussi bonne, sinon meilleure, pour la simple raison que les infirmières sont, dans bien des cas, les seules à pouvoir fournir certains types de soins et, par ailleurs, un tel système serait beaucoup plus rentable et beaucoup plus efficace.

• 2035

**Mr. Blaikie:** What do you think is the sort of underlying reason behind the resistance of doctors to another thing that you mentioned, which is alternate models of birthing. I just

**M. Blaikie:** Quelle est à votre avis la raison de la résistance des médecins aux autres formes d'accouchement, ce dont vous avez également parlé. J'ai lu dans le journal que l'Alberta



[Text]

read in the paper yesterday or the day before that Alberta prohibited its doctors from taking part in home births. I would just like the benefit of your knowledge of doctors, which is greater than mine, why the great resistance to alternative modes of health care, whether it be community health centres, whether it would be nurse practitioners, whether it be paramedical staff or alternate methods of child birth? There just seems to be an incredible resistance to anything which threatens what I like to think as sort of a technological and doctor-patient individualized notion of health care.

**Ms. Powers:** The reality is that the birth rate is declining and there are large numbers of physicians in urban areas. This is where the major resistance is. In the northern parts of our province, for instance, in Ontario, there is not this kind of resistance to nurses' involvement in delivery of babies.

**Mr. Blaikie:** Do you mean it is a purely financial concern, that with less babies being born and if some of those diminishing numbers are born at home that that is less of a market for obstetricians?

**Ms. Powers:** I believe that is probably the sad reality.

**Ms. Wheatley:** I also would like to say that I think there is a confusion between this business of nurse midwifery, nurses wanting to practise as midwives, and the whole home-birth thing. Our association and, in fact, the Ontario Nurse Midwives' Association, have gone on record as not supporting home birth, not that we do not think it is a good idea or that the birthing experience should not be more home like, but that we do not have a system as they do in Britain where there is the backup emergency kind of support in case something goes wrong.

We would like to take, I suppose, what you might call a middle road, which is to say, let us make the experience for that family a much more home-like one in that we can have birthing rooms, or even birthing centres apart from hospitals, which would provide a woman and her infant with the kind of medical care they need in that situation and would also be supportive and more in line with the kind of experience people are starting to demand. I think the whole child-birthing movement, which has been very strong on the part of consumer groups in the last few years, is a very, very nice microcosm of an example of what is happening generally within the health care system, of consumers who say, wait a minute, this is not the kind of experience I want to have. Of course, it is very focused because it is a one-time experience. So, the consumers, in these instances, have demanded that the system change, and the system is changing.

**Mr. Blaikie:** Even when they are in hospital, they still want to be human beings. I think part of the problem is that with the kind of medical technology that we have developed people are being treated almost entirely as objects. What has remained of their humanity has survived only in the sort of fragile and intermittent relationship they have with nurses chaplains, or whatever.

[Translation]

interdisait à ses médecins de participer aux accouchements à domicile. J'aimerais profiter du fait que vous connaissez mieux les médecins que moi pour que vous nous expliquiez les raisons de cette résistance aux autres modes de soins de santé, que l'on parle de centres de santé communautaires, d'infirmières praticiennes, de personnel paramédical, ou d'autres méthodes d'accouchement. Il semble y avoir une résistance incroyable à tout ce qui menace ce que j'aime à penser comme une sorte de notion technicienne des soins de santé fondée sur une relation privilégiée médecin-patient.

**Mme Powers:** La réalité c'est que le taux de natalité va en baissant et qu'il y a beaucoup de médecins dans les zones urbaines. C'est là que la résistance est la plus forte. Dans le Nord de l'Ontario, par exemple, on ne s'oppose pas de la sorte à ce que les infirmières participent aux accouchements.

**M. Blaikie:** Voulez-vous dire qu'il s'agit purement d'une préoccupation d'ordre financier, que, vu qu'il y a moins de naissances et que de plus en plus celles-ci ont lieu à domicile le marché des obstétriciens va se rétrécissant?

**Mme Powers:** Je pense que c'est probablement là la triste réalité.

**Mme Wheatley:** Je pense également qu'il y a une certaine confusion entre le fait que certaines infirmières veulent remplir les fonctions de sages-femmes et toute cette question de l'accouchement à domicile. Il est connu que notre association et, en fait, l'Ontario Nurse Midwives' Association (Association des sages-femmes de l'Ontario) n'appuient pas le principe de l'accouchement à la maison; ce n'est pas que nous pensions qu'il s'agit là d'une mauvaise idée ou que l'accouchement ne devrait pas avoir lieu dans le cadre du foyer mais c'est que nous ne disposons pas d'un système comme le système britannique où tout est prévu en cas d'urgence, au cas où quelque chose va mal.

Nous aimerions prendre ce que l'on pourrait décrire comme une voie intermédiaire; il s'agirait de faire en sorte que l'expérience corresponde plus à l'ambiance du foyer et, pour ce faire, on pourrait créer des salles d'accouchement, ou même des centres d'accouchement distincts des hôpitaux où la femme et son bébé recevraient les soins médicaux nécessaires dans ce genre de situation, ce qui permettrait de répondre aux demandes qui commencent à se faire sentir à ce propos. Tout le mouvement sur l'accouchement, à l'égard duquel les groupes de consommatrices ont été très fermes ces quelques dernières années, constitue un parfait microcosme de ce qui se passe en général dans le système des soins de santé. Les consommatrices n'hésitent plus maintenant à dire quel est le genre d'expérience qu'elles souhaitent connaître. Bien sûr, dans ce cas-ci, tout est très focalisé parce qu'il s'agit d'une expérience unique. Donc, les consommatrices ont exigé une évolution du système, et le système évolue.

**M. Blaikie:** Même quand ils sont à l'hôpital, les gens veulent être traités comme des êtres humains. Le problème qui se pose est dû en partie au fait que, vu la nouvelle technologie médicale, les gens ont l'impression d'être traités comme des objets. Ce qu'il leur reste de leur humanité ne survit que dans les relations fragiles et intermittentes qu'ils ont avec les infirmières, les aumôniers, etc.

## [Texte]

I liked the comment about it being a microcosm because certainly it is happening at the other end of the spectrum too, with the development of hospices and other facilities for the care of terminally ill patients.

**Ms. Wheatley:** That is right.

Another thing I would like to say is that in instances where nurses have been allowed to practise in a broader way there is no resistance. For example, I happen to be a nurse practitioner and I have practised in a community health centre and independently and there was no resistance. There is a tremendous amount of support from consumers for nurses behaving in a broader way, and in fact, people say that they do not really care what we are, they just appreciate the fact that we sit down and talk to them and spend some time with them.

• 2040

This is a bit simplistic, but if in fact you are on salary you are able to take that time to sit down with people and explore what their concerns and problems are. Generally people are very delighted finally to have someone sit down and share some information with them. Certainly there are physicians who operate in that way, but because of the fee-for-service arrangement very often physicians are very, very rushed and are not able, or perhaps do not want, to take the time to talk to people and tell them what is going on, and I think people more and more are demanding that kind of experience—and reasonably so.

**Mr. Blaikie:** One final comment, Mr. Chairman. I would share the nurses' caution about the home birth movement. It is great the nine times out of ten that it works, but . . .

**Ms. Wheatley:** Or 99 out of 100.

**Mr. Blaikie:** . . . had my wife and I tried it we would have run into very serious problems. She ended up having to have a Caesarean, at the last minute, and if we had been out in the middle of nowhere somewhere it would have been quite serious. You say, that in Britain they have some kind of backup unit that is sort of standing by if it does not go well?

**Ms. Wheatley:** That is right.

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** I have no questions. I think you have made an excellent presentation.

**Ms. Wheatley:** Thank you.

**The Chairman:** Mr. Thacker.

**Mr. Thacker:** I just have one general question, Mr. Chairman, which does not particularly relate to fiscal relations. I know in the Province of Alberta, at the University of Lethbridge, there is a new program for a BSc in nursing. I am wondering if you could elaborate as to whether that is a phenomenon that is occurring across the country. What were, or are, the pressures for that to happen? And where do you then see that as leading your graduates?

**Ms. Powers:** In fact, you are quite right, it is beginning to be a phenomenon that we will see a lot more of. Our association in Ontario, for instance, has just taken the stand that baccalaureate preparation should be the entry to practice as a

## [Traduction]

J'aime vous entendre parler de microcosme parce qu'il en est ainsi de l'autre côté aussi, avec la création d'hospices et d'installations pour les malades en phase terminale.

**Mme Wheatley:** C'est exact.

Et j'aimais dire que dans le cas où les infirmières ont été autorisées à pratiquer dans un sens plus large, il n'y a pas eu de résistance. Il se trouve que je suis infirmière praticienne, j'ai pratiqué dans un centre de santé communautaire et en indépendante et je n'ai pas fait l'objet de résistance. Les consommateurs apprécient considérablement les infirmières qui pratiquent au sens large et, d'ailleurs, ils vous disent que peu leur importe ce que vous êtes, ils sont simplement ravis que vous preniez le temps de vous asseoir et de discuter avec eux.

C'est quelque peu simpliste mais quand vous êtes salariés vous avez le temps de vous asseoir avec les gens pour examiner leurs préoccupations et leurs problèmes. En général, ils sont ravis quand ils trouvent quelqu'un qui prend le temps de parler avec eux. Certes il y a des médecins qui travaillent de cette façon mais, très souvent, du fait qu'ils sont payés aux honoraires, ils sont toujours pressés et ils ne peuvent pas, ou peut-être ne veulent pas, prendre le temps de parler avec les gens pour leur dire ce qui se passe. De plus en plus, c'est de ce genre d'expérience dont les gens ont besoin, et à juste titre d'ailleurs.

**M. Blaikie:** Monsieur le Président, permettez-moi de faire une dernière remarque. Je partage la prudence des infirmières en ce qui concerne l'accouchement à domicile. C'est parfait neuf fois sur dix mais . . .

**Mme Wheatley:** Ou 99 fois sur 100.

**M. Blaikie:** . . . si ma femme et moi avions essayé, nous aurions fait face à des problèmes très graves. A la dernière minute, on a dû lui faire une césarienne et si nous avions été perdus au milieu de la campagne, les choses auraient été très graves. Vous dites qu'en Grande-Bretagne il y a des services de secours prêts au cas où quelque chose ne va pas bien?

**Mme Wheatley:** C'est exact.

**Le président:** Monsieur Blenkarn.

**M. Blenkarn:** Je n'ai pas de question à poser. J'estime que vous nous avez fait un excellent exposé.

**Mme Wheatley:** Merci.

**Le président:** Monsieur Thacker.

**M. Thacker:** Monsieur le président, je n'ai qu'une question d'ordre général, qui ne se rattache pas particulièrement aux accords fiscaux. Je sais qu'en Alberta l'Université de Lethbridge offre maintenant un baccalauréat en sciences infirmières. Pourriez-vous nous dire si des cours de ce niveau sont donnés dans l'ensemble du pays. Quelles ont été, ou quelles sont, les pressions exercées dans ce sens? Quel en est à votre avis l'intérêt pour les étudiantes?

**Mme Powers:** Vous avez tout à fait raison, c'est un phénomène qui commence à se faire jour et qui va s'étendre considérablement. En Ontario, notre association pense que la préparation de ce baccalauréat devrait être la condition d'entrée dans



## [Text]

registered nurse. The reality is that we will have to work through that recognition with nurses and then convince the rest of the world that this is the appropriate way for nursing to go.

With the complexity of our system, with the fact that such accountability and responsibility is being demanded of us as health care workers, we are recognizing the fact that baccalaureate education is going to become a necessity in order to practise as a registered nurse. At the same time, we recognize that those of us, for instance, who are diploma prepared, or in fact those of us who have come from—which is not that long ago—a hospital training program, will need to be able to continue to practise as registered nurses and to be given the opportunity to get the additional preparations, because that is not available in the way that it should be and in the way that we propose to urge it to be in the future. So it has been suggested that there be grandmother clauses, so to speak, to enable those of us who are not baccalaureate prepared to continue to practise as registered nurses.

**Mr. Thacker:** Is that part of a plan whereby, once that is established, nurses can become much more almost practitioner nurses, or paramedical?

**Ms. Wheatley:** I do not wish you to confuse those two issues, because I really think that is a bit of a red herring. Not all nurses want to practise, perhaps, as independently as others, and just because we want to be better prepared educationally does not mean we want to move away from the bedside. That is another thing that people immediately say: "Oh, well, you all want to be administrators and educators; who is going to look after me when I am sick?"

We feel two things, that the nurse who has a broader base of education, a more liberal education, is going to be able to practise her profession—at the bedside, in the community, as an administrator—more sensitively and just better. Also we are going to be able to have a better impact, in the sense of being able to take our rightful place as colleagues with other health professionals if, in fact, we can say we are prepared to a certain level. We are not recognized by the medical profession as having a lot to say. I am talking about organized medicine and organized nursing, I am not talking about the individual situation, because there are some good colleague relationships happening. But, on an organized level, we are not as credible as we need to be to be able to effect some positive change within the system, and I think better education will help that.

• 2045

I should also say, too, that this is a very long range project. The Canadian Nurses Association is also looking at the issue of entry to practice. It will be the year 2000, I am sure, before that is actually a reality. We are trying to do our homework, we are trying to plan for our future, so that is the step that we, in Ontario, have taken. It will be a long process of re-education, just in terms of accepting that as a philosophy.

## [Translation]

la pratique pour les infirmières autorisées. Bien sûr, il va falloir faire accepter cela par les infirmières et ensuite convaincre tout le monde que c'est dans ce sens que le métier devrait s'orienter.

Vu la complexité de notre système, vu le niveau de responsabilité exigée de nous en tant que travailleuses du secteur des soins de santé, nous reconnaissons qu'un baccalauréat sera nécessaire pour entrer dans la pratique comme infirmières autorisées. Parallèlement, nous savons que celles d'entre nous qui ont préparé un diplôme ou celles qui ont été formées dans les hôpitaux, ce qui ne remonte pas à très longtemps, devront pouvoir continuer la pratique d'infirmières autorisées tout en ayant l'occasion de poursuivre leur formation, ce qui n'est pas actuellement possible comme cela devrait l'être et comme nous proposons que cela le soit à l'avenir. On a donc proposé que des mesures spéciales soient prises pour permettre à celles d'entre nous qui n'ont pas préparé un baccalauréat de poursuivre leur pratique en tant qu'infirmières autorisées.

**M. Thacker:** Cela fait-il partie du plan qui permettra aux infirmières de jouer un rôle beaucoup plus important, presque celui d'infirmières praticiennes, ou d'auxiliaires paramédicales?

**Mme Wheatley:** Je ne voudrais pas que l'on mélange les deux problèmes; on risque en fait ainsi de noyer le poisson. Il y a des infirmières qui souhaitent certes travailler de manière plus indépendante que d'autres mais le simple fait que nous souhaitons une meilleure formation ne veut pas dire que nous voulons quitter le chevet de nos malades. Certains disent que si nous voulons toutes faire de la gestion et de l'enseignement il ne restera plus personne pour s'occuper des malades.

Il y a deux éléments dont il faut tenir compte. D'une part, si une infirmière a reçu une formation plus importante, une formation plus libérale, elle sera mieux en mesure de pratiquer son métier, elle le fera mieux, que ce soit au chevet de ses malades, dans la communauté ou en tant qu'administratrice. Par ailleurs, notre rôle sera plus important car si nous faisons valoir que nous avons un certain niveau de formation nous serons mieux en mesure de prendre la place qui nous revient de droit en tant que collègues des professionnels du secteur de la santé. Pour la profession médicale, nous n'avons pas grand-chose à dire. Je parle sur le plan de la profession, la profession médicale d'un côté et les infirmières de l'autre. Je ne parle pas des cas particuliers parce qu'il y a des relations entre collègues qui sont tout à fait excellentes. Cependant, sur le plan de la profession, nous ne jouissons pas de la crédibilité nécessaire pour faire changer le système dans un sens positif, et une meilleure formation nous sera très utile à ce propos.

Je devrais dire également qu'il s'agit d'un projet à très long terme. L'Association des infirmières canadiennes étudie également la question de l'entrée en pratique. Je suis certaine qu'il faudra attendre l'an 2000 avant que cela devienne une réalité. Nous essayons de faire notre travail, nous essayons de planifier notre avenir et c'est la décision que, en Ontario, nous avons prise. Rien que sur le plan des principes, il s'agira là d'un long processus de rééducation.

[Texte]

**Mr. Thacker:** What is the official position of your organization with respect to the actual fiscal transfers from the federal government to the provinces? As you know, up to 1977 it was cost shared and the costs were going up quite dramatically. There was an agreement, at that time, between the government—all 11 of which agreed—that the federal contribution would be converted to block funding. That has grown by the GNP and the onus has been shifted to the provinces. It seems clear, from the evidence we have heard, that the provinces have taken their right, I guess, to redirect funds to other areas and back on the proportion of their budgets that was going to health care. That impacts on you directly, as a nurses' association, in terms of your salaries and so on. I am wondering if you would give us the benefit of your thinking as to what you believe this task force should be recommending, vis-à-vis an expanded federal role. If so, how do we gibe that with the constitution of Canada and yet ensure that there is enough money for the participants in the health care field?

**Ms. Powers:** I can say briefly that the first paragraph in the position paper on health care costs is almost a direct quote from the national standards criteria. Although the association has not taken an official position on what the fiscal arrangements in particular should be, our association, I can say, supports, in total, adherence to the standards that are outlined. I believe the criteria are in the Medical Care Act.

**Ms. Wheatley:** Having some fiscal responsibility, the federal government's having some say in those funding arrangements to the provinces is very important in forcing, nationally, those standards. We have not had a lot of time, quite honestly, really to consider this in depth. I think some cost-shared arrangement—I do not mean cost sharing in the sense of 50-50, but some funding arrangement with the provinces—is important in establishing universality, which is one of the criteria for that under the Medical Care Act. As I say, thinking it through, I am not sure I can really state what the position is on whether it should be one or the other, but we certainly have a concern about what is happening in Ontario, vis-à-vis physicians' opting out. There should be some federal role to play in saying to those physicians, or to the provincial ministry, this is not good enough, because with physicians opting out that means that, in fact, those criteria are not being applied. I can tell you that people are suffering in Ontario due to opting out.

**Mr. Thacker:** Do you believe, as a result of this most recent settlement, there will be more physicians opting back in?

**Ms. Wheatley:** I do not know if I can answer that—I doubt it.

**Mr. Thacker:** But the point you would like to consider is the very issue that this group has to come to terms with.

**Ms. Wheatley:** Yes, I appreciate that.

**Mr. Thacker:** So if you have occasion to think about it, write us later or pass it on to the national association. That is the point we really need them to direct their attention to.

Thank you very much.

**Ms. Wheatley:** Thank you.

[Traduction]

**M. Thacker:** Quelle est la position officielle de votre association en ce qui concerne les transferts fiscaux du gouvernement fédéral aux provinces? Comme vous le savez, jusqu'à 1977, les coûts étaient partagés et ceux-ci augmenté considérablement. A l'époque, les onze gouvernements ont convenu que le fédéral transformerait sa contribution en un financement forfaitaire. L'augmentation a été fixée sur celle du PNB et ce sont les provinces qui se sont vu confier les responsabilités. D'après les témoignages que nous avons reçus, il semble clair que les provinces se sont permises de réorienter les fonds vers d'autres domaines et de réduire la part de leur budget qui était consacrée aux soins de santé. Cela a une incidence directe sur votre association, en ce qui concerne le salaires et ainsi de suite. Quelles sont à votre avis les recommandations que notre groupe de travail devrait formuler en ce qui concerne l'élargissement du rôle du fédéral? Comment cela s'inscrit-il dans le cadre du problème constitutionnel et comment peut-on s'assurer qu'il y aura suffisamment d'argent pour tous ceux qui travaillent dans le domaine des soins de santé?

**Mme Powers:** Je répondrai que le premier paragraphe de notre Prise de position sur les coûts des soins de santé cite presque textuellement les normes nationales. Bien que notre association n'ait pas pris de position officielle en ce qui concerne les accords fiscaux, nous souhaitons que l'on respecte à la lettre les normes établies. Je crois que ces normes figurent dans la Loi sur les soins médicaux.

**Mme Wheatley:** Le gouvernement fédéral a une certaine responsabilité en matière fiscale et en ce qui concerne les accords de financement avec les provinces, aussi il est très important que ces normes soient appliquées à l'échelon national. En toute franchise, nous n'avons pas eu le temps d'étudier cette question en profondeur. Sans pour autant parler de partage par moitié avec les provinces, j'estime que les accords de partage des coûts sont importants pour faire régner le principe de l'universalité, l'un des critères établis dans la Loi sur les soins médicaux. Je ne pense pas pouvoir vous dire quelle est la position officielle de notre association à ce sujet, mais nous nous inquiétons en Ontario de ce que des médecins se déconventionnent. Le gouvernement fédéral devrait intervenir auprès de ces médecins ou auprès du ministère provincial parce que si les médecins se déconventionnent les critères ne seront plus appliqués. Je puis vous dire que les gens pâtissent de cette situation en Ontario.

**M. Thacker:** Du fait de l'arrangement qui a été conclu tout récemment, pensez-vous que d'autres médecins vont se reconvencionner?

**Mme Wheatley:** Je ne pense pas pouvoir répondre à cette question.

**M. Thacker:** Cependant, ce que vous voulez étudier, c'est le problème auquel votre groupe est confronté.

**Mme Wheatley:** Oui, bien sûr.

**M. Thacker:** Donc, si vous avez l'occasion de repenser à cette question, écrivez-nous ou faites part de vos réflexions à l'association nationale. C'est là le sujet sur lequel il faut qu'elle porte son attention.

Je vous remercie beaucoup.

**Mme Wheatley:** Merci.



[Text]

• 2050

**Mr. Herbert:** I have a couple of questions, Mr. Chairman.

I would say, first of all, that I am pleased tonight that the brief you have submitted has not been quite as aggressive as many of the briefs which have come before us. In fact, it is quite refreshing in its approach.

**The Chairman:** That is because they are kind people.

**Mr. Herbert:** I have a few questions. I do not ordinarily concern myself too much with the details of operation in the sense that I consider that to be essentially a provincial responsibility, but I have a couple of points that may touch on federal aspects. The first deals with mobility. Am I right in saying that there is accepted in all provinces the ability to transfer, and that there are no restrictions in Canada on the mobility of nurses?

**Ms. Wheatley:** Oh, you are talking about nurses?

**Mr. Herbert:** I am talking specifically about nurses.

**Ms. Wheatley:** You mean in terms of their ability to practice in any province?

**Mr. Herbert:** Can nurses from Ontario go to any of the other provinces?

**Ms. Wheatley:** Yes.

**Mr. Herbert:** And can nurses from the other provinces go in to Ontario?

**Ms. Wheatley:** Yes.

**The Chairman:** But you will not be able to practice in Quebec unless you have the French language facility.

**Mr. Herbert:** Okay, language. I was coming to that next.

**Ms. Powers:** Could I just add to that, that nurses must apply to the various provincial jurisdictions in order to be able to practise but there are reciprocal arrangements made between provinces.

**Mr. Herbert:** Yes, but there is nothing to stop a qualified person from getting the approval to practise, apart from the problem of language which personally I do not see as too much of a difficulty, except in the sense that they apparently still have some difficulties with young graduating nurses who cannot graduate in Quebec without language qualifications and, consequently, cannot move to another province. I believe some effort has been made to accommodate these individuals who are unable to pass the language examination. Is that right?

**Ms. Powers:** In terms of accommodating, do you mean to enable them to practise as a registered nurse in another province without having been registered in the province from which they graduated, such as Quebec?

**Mr. Herbert:** Quite obviously, they cannot get the necessary registration in Quebec without the language requirement. If they did, if they can be registered, then obviously they could transfer. But I believe some provision is made. I do not know quite how you do that, but I do believe you are making some provision now to accept these people. I do not know whether you have a second testing process, but you have some means by which they can then practise as nurses.

[Translation]

**M. Herbert:** Monsieur le président, j'ai quelques questions à poser.

Tout d'abord, je suis ravi de remarquer que le mémoire que vous nous avez présenté n'est pas aussi agressif que beaucoup de ceux que nous avons déjà reçus. L'attitude que vous y prenez est d'ailleurs très intéressante.

**Le président:** C'est parce que ce sont des personnes gentilles.

**M. Herbert:** J'ai quelques questions à vous poser. D'ordinaire, je ne me préoccupe pas trop de tous ces détails parce que j'estime qu'ils relèvent essentiellement de la responsabilité des provinces mais j'aurais quelques questions à vous poser sur les aspects fédéraux de ce problème. La première concerne la mobilité. Est-il bien vrai qu'il n'y a pas d'entraves au passage d'une province à l'autre?

**Mme Wheatley:** Vous parlez des infirmières?

**M. Herbert:** Oui, je parle des infirmières.

**Mme Wheatley:** Vous voulez parler de la possibilité pour elles de pratiquer dans n'importe quelle province?

**M. Herbert:** Les infirmières de l'Ontario peuvent-elles aller travailler dans n'importe quelle autre province?

**Mme Wheatley:** Oui.

**M. Herbert:** Et les infirmières des autres provinces peuvent-elles venir travailler en Ontario?

**Mme Wheatley:** Oui.

**Le Président:** Mais vous ne pouvez pas pratiquer votre profession au Québec si vous ne parlez pas français.

**M. Herbert:** Oui, j'arrivais à la question de la langue.

**Mme Powers:** J'ajouterais que les infirmières doivent s'adresser aux diverses autorités provinciales pour obtenir l'autorisation de pratiquer mais il y a des accords réciproques entre les provinces.

**M. Herbert:** Oui, mais rien n'empêche une personne qualifiée d'obtenir l'autorisation de pratiquer, indépendamment des problèmes linguistiques qui, à mon avis, ne devraient pas poser trop de difficultés. Cependant, certains problèmes continuent à se poser au Québec pour les jeunes infirmières car elles ne peuvent obtenir leur diplôme si elles n'ont pas les compétences linguistiques requises et, par conséquent, elles ne peuvent aller s'installer dans une autre province. Je crois savoir que l'on envisage de prendre des mesures pour celles qui ne parviennent pas à réussir les examens de langue, n'est-ce pas?

**Mme Powers:** Vous voulez dire pour leur permettre de pratiquer en tant qu'infirmières autorisées dans une autre province même si elles n'ont pas été autorisées dans la province où elles ont obtenu leur diplôme, comme au Québec?

**M. Herbert:** Il est clair que, au Québec, si elles n'ont pas réussi les examens de langue, elles ne peuvent obtenir leur autorisation. Si oui, si elles étaient autorisées, elles n'auraient bien sûr aucun problème à changer de province. Je crois cependant savoir que des mesures ont été prévues pour ce genre de cas. Je ne sais pas exactement ce qui se fait, s'il y a une deuxième série d'examen, mais je crois savoir que des mesures ont été prévues pour leur permettre de pratiquer en tant qu'infirmières.

## [Texte]

**Ms. Powers:** I am not sure of the specifics, but that may well be what is being done.

**Mr. Herbert:** I am obviously hoping that we are going to have that mobility. I always feel that even if one cannot meet the language requirements, one should still be able to work somewhere in this country, whether it be in English or in French, it does not matter.

On the point concerning training costs because we have been discussing adult training as being a federal responsibility, so far I am having some difficulty in finding where the cut-off point comes where education stops and adult training begins. However I would like just to get some of your thoughts on who should pay the cost. In Quebec, where the government was prepared to pay the training costs of a nurse, that nurse had either to recognize that indebtedness, in other words to repay the sum borrowed if you like, or she would have the option to work in a designated position somewhere. Is that a fairly general practice across this country or is that peculiar to Quebec?

**Ms. Powers:** I must say that I am not aware of that situation in Quebec. Is that happening at this point in time?

**Mr. Herbert:** It happened to my wife, which is why I am aware of that particular practice. She had to work off her indebtedness to the Quebec government by working in a designated location for a period of one year in effect.

**Ms. Powers:** She had a loan?

**Mr. Herbert:** A loan to cover the cost of her training.

**Ms. Powers:** Her basic training?

**Mr. Herbert:** Which she was able to pay off by working in a designated area which, obviously, was a location where they were unable to encourage nurses to go. It is the same problem we have with doctors. It was, I must admit, quite an exceptional experience for her because when you are put down in this type of location, which is generally out in the sticks, and in fact cut off from all forms of civilization for several months in the winter, a person gains a lot of experience in the first few months of life as a nurse.

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**The Chairman:** That is not where she met you, is it?

**Mr. Herbert:** I am introducing this because we have been discussing who pays in the sense that there is a cost involved in training everyone whether it be university training, no matter what. This is a form of recognition of the cost and the obligation which is carried on by the graduate in effect, which has to be repaid in some form. I have not heard that there was a similar set-up in the other provinces.

**Ms. Wheatley:** I am certainly not familiar with such an arrangement. In Ontario, for example, one of the arrangements I can think of which may be similar in part are loans from the Ministry of Health to nurses who wish to take some kind of continuing education program. Then they have to work in the area of, let us say, administration, not in a particular

## [Traduction]

**Mme Powers:** Je ne suis pas certaine des détails mais cela est fort possible.

**M. Herbert:** J'espère bien sûr qu'il y aura cette possibilité de mobilité. J'ai toujours estimé que, même si on n'est pas en mesure de réussir les examens linguistiques, on devrait pouvoir travailler n'importe où dans notre pays; que ce soit en anglais ou en français, peu importe.

J'aimerais que nous parlions des coûts de la formation parce qu'on a dit que la formation des adultes était une responsabilité du fédéral; pour ma part, j'ai quelques difficultés à déterminer où l'enseignement s'arrête et où la formation des adultes commence. J'aimerais que vous nous indiquiez qui à votre avis devrait financer les coûts. Au Québec, le gouvernement était prêt à financer la formation des infirmières mais ou bien celles-ci devaient signer une reconnaissance de dette, donc s'engager à rembourser la somme empruntée, ou bien elles devaient accepter le poste qu'on leur désignait. Est-ce une pratique courante dans notre pays ou bien s'agit-il de quelque chose de particulier au Québec?

**Mme Powers:** Je ne suis pas au courant de cela pour le Québec. C'est la situation à l'heure actuelle?

**M. Herbert:** C'est la situation dans laquelle ma femme s'est trouvée, et c'est pour cela que je suis au courant de cette pratique. Ma femme a dû rembourser le gouvernement du Québec en acceptant pour une période d'un an le poste qu'on lui avait désigné.

**Mme Powers:** Elle avait obtenu un prêt?

**M. Herbert:** Un prêt pour couvrir le coût de sa formation.

**Mme Powers:** Sa formation de base?

**M. Herbert:** Elle a remboursé ce prêt en acceptant le poste qu'on lui avait désigné et, bien sûr, il s'agissait d'un poste qu'aucune infirmière ne voulait accepter de son propre gré. Le même problème se pose avec les médecins. Je dois admettre que cela a été une expérience assez exceptionnelle pour elle parce qu'elle a énormément appris au cours des quelques premiers mois de sa vie d'infirmière, d'autant plus que, dans ces cas-là, on est en général envoyé en pleine cambrousse, coupé de toute civilisation pendant une bonne partie de l'hiver.

**Le président:** Ce n'est tout de même pas là-bas qu'elle vous a rencontré, n'est-ce pas?

**M. Herbert:** Si je vous dis cela c'est que nous parlons du coût de la formation, qu'il s'agisse de la formation universitaire ou de quoi que ce soit d'autre. Dans le cas dont je vous parlais, la diplômée devait rembourser les coûts, sous une forme ou sous une autre. Je n'ai pas entendu parler de système du même type dans les autres provinces.

**Mme Wheatley:** Pour ma part, je ne le connais pas. En Ontario, par exemple, il y a des arrangements similaires aux termes desquels le ministère de la Santé octroie des prêts aux infirmières qui souhaitent poursuivre leur formation. Celles-ci doivent ensuite faire de l'administration pendant un an ou deux, par exemple, pour les services qui les ont parrainées,



[Text]

area designated by the Ministry, but they must agree to work for a year or two afterwards in an area of administration which has sponsored them for that loan. The loan would be for around \$1,000 or \$2,000.

**Mr. Herbert:** Yes. It is a method of paying off an indebtedness to the government or the country, or whatever. On the subject of nursing orderlies, do you have any position as to whether there could not be effective economy in the whole area of health care, if there were an increased number or use of nursing orderlies? I get the impression that the nursing profession is essentially opposed to the use of nursing orderlies. Would you like to comment?

**Ms. Wheatley:** What do you mean by nursing orderlies? Registered nursing assistants? Orderlies?

**Mr. Herbert:** Nursing assistants. In my area they are called nursing orderlies, but nursing assistants, if you like; not graduate nurses. I mean nurses who have had the training to qualify them as being a little better than orderlies if you like, but who are not trained nurses. It would appear to be a means of economizing in cost in that an awful lot of the work is fairly standard. Has the nursing profession taken a position?

**Ms. Powers:** In Ontario there is a position called a Registered Nursing Assistant. In fact, there are about 30,000 registered nursing assistants in Ontario. They are members of the College of Nurses, as are registered nurses. They are certainly recognized as very valuable contributors and, as a part of the nursing profession, they function under the supervision of a registered nurse. Their history, if I am not mistaken, is that this kind of position was developed around the war years when there was a need for a person who could function with some nursing background but who could be trained or educated in a much shorter timeframe. So this was really the development of this person.

**Mr. Herbert:** When you use the word "registered", do you mean that they are not graduate nurses?

**Ms. Powers:** No; but they are registered.

**Mr. Herbert:** Okay.

**Ms. Powers:** As opposed to a health care aide or an orderly, who are people usually trained within an institution to carry on certain functions within that institution.

**Mr. Herbert:** While I am on the subject, there is another little point of interest to me dealing with the level of authority of the various groups. There have been some problems over the years with the amount of work which a nurse can do. It had been the practice for nurses to do certain things which, as a result of cases taken in hospital, patients suing the hospital and so on, there have developed some difficulties. Do you think it might be a good idea if we regularized through legislation the possibility for nurses to take over some of the work presently restricted solely to doctors, which nurses used to do—maybe not officially, but certainly unofficially—and which certainly took some of the workload off the doctors?

[Translation]

mais pas dans un poste désigné par le ministère. Ces prêts varient de \$1,000 à \$2,000.

**M. Herbert:** Oui. C'est une façon de rembourser sa dette au gouvernement ou au pays. Par ailleurs, ne pensez-vous pas qu'il serait possible de réaliser des économies très importantes dans le secteur des soins de santé si l'on augmentait le nombre des aides-infirmières? J'ai l'impression que votre profession s'oppose à ce que l'on fasse appel à des aides-infirmières. Qu'avez-vous à nous dire à ce sujet?

**Mme Wheatley:** Qu'entendez-vous par aides-infirmières? Voulez-vous parler des infirmières auxiliaires autorisées? Aides-infirmières?

**M. Herbert:** Des infirmières auxiliaires. Dans ma région on parle d'aides-infirmières. Disons infirmières auxiliaires, si vous le voulez, il ne s'agit pas des infirmières diplômées. Je veux parler d'infirmières qui ont reçu une formation leur donnant un niveau légèrement supérieur à celui d'aide-infirmière mais qui ne sont pas des infirmières diplômées. Je pense que l'on pourrait économiser considérablement sur les coûts vu qu'une bonne partie du travail n'a rien de spécialisé. Votre profession a-t-elle adopté une position à ce sujet?

**Mme Powers:** En Ontario nous avons ce que nous appelons les infirmières auxiliaires autorisées. Il y en a environ 30,000 dans la province. Elles sont membres du College of Nurses, comme les infirmières autorisées. Elles fournissent une contribution fort valable qui est parfaitement reconnue et, dans la profession, elles travaillent sous la direction d'une infirmière autorisée. Si je ne me trompe pas, cette fonction avait été créée au moment de la guerre, à une époque où l'on avait besoin de personnes ayant une certaine connaissance du métier d'infirmière mais pouvant être formées beaucoup plus rapidement. C'est ainsi que ces postes ont été créés.

**M. Herbert:** Quand vous utilisez le terme «autorisé» voulez-vous dire qu'elles ne sont pas diplômées?

**Mme Powers:** Non; mais elles sont autorisées.

**M. Herbert:** Très bien.

**Mme Powers:** Contrairement aux aides-infirmières qui sont formées dans les établissements de soins de santé pour y assumer certaines fonctions.

**M. Herbert:** Puisque nous étudions ce sujet, il est une autre question qui m'intéresse et qui concerne le niveau d'autorité des divers groupes. Au cours des années, certains problèmes se sont posés à propos de la quantité de travail qu'une infirmière peut assumer. Une infirmière avait coutume d'assurer certaines tâches mais, à la suite de diverses affaires, du fait de poursuites intentées par des malades contre les hôpitaux, et ainsi de suite, certaines difficultés se sont présentées. Pensez-vous que ce serait une bonne idée d'adopter des mesures législatives pour permettre aux infirmières d'assumer certaines des fonctions qui sont actuellement strictement réservées aux médecins mais que les infirmières avaient coutume de remplir—peut-être pas officiellement mais officieusement tout du moins? Cela permettrait de soulager la tâche des médecins.

[Texte]

[Traduction]

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**Ms. Wheatley:** It is a very confusing and touchy issue, in that medicine and nursing of course overlap. There is role blurring, if you want to call it that, or a grey area, between medicine and nursing, where there are a lot of tasks which, as you say, way back a lot of nurses did, and then we went to a time when nurses were allowed to do none of it. Certainly in some areas I am familiar with, nurses are still not allowed to take blood pressures—which of course is ridiculous—depending on the particular institution.

What we have in Ontario in fact is, under the Health Disciplines Act, the College of Nurses and the College of Physicians and Surgeons. They have a special procedures committee, and they meet on a very regular basis to talk about the transfer of some of these medical acts to nurses, as is appropriate. So, for example if the doctors in a particular institution say they would like the nurses to do this thing, then the director of nursing calls the College of Nurses and says may we have a special procedures committee look at this particular act to see if it is appropriate for nurses, given further training and experience in doing those tasks, to take over those functions. In fact, we have a booklet that actually outlines those particular special procedures.

They tend to be very highly technical things, the kinds of things that would go on in coronary care units and in intensive care units. It is very important that those things be worked out, because there is a very real danger of something going wrong and some legal liability. So it is important that those things get worked out.

But those are fairly minor, or at least the numbers of nurses doing those kinds of things, I believe, is relatively small. Most of the things we are concerned about doing are things like health counselling, providing health information and promotion activities—those kinds of things, which fall very naturally within the purview of nursing. As time goes on and as we document what it is we do in nursing and things become part of our practice, over time and so on I feel it is becoming clearer. But there certainly are some territorial imperatives at work, and I think we are going to have to work together with medicine to work out what that grey area is in between and to make sure in fact that people are adequately prepared. Certainly there is a great responsibility on our part to make sure that when we do take over some of those functions we perform them adequately.

**Mr. Herbert:** I put that question because though you used the word "territorial", I guess you meant it in the vertical sense and not the regional sense. But it leads me into the question that there is—I will put it almost in the form of a statement: there seems to be very little variation in the responsibilities and duties of nurses across the country. The similarity seems to be there. In other words, we have a pretty universal system of nursing from coast to coast.

**Ms. Wheatley:** That is a very general statement, but I guess I would agree only in that depending on the north-south—and I should not just say north-south, because in the under-ser-

**Mme Wheatley:** Il s'agit là d'un problème bien délicat et qui peut entraîner une certaine confusion du fait que, bien sûr, le rôle du médecin et celui de l'infirmière se chevauchent. Il y a un certain flou, ou une zone grise, entre le rôle du médecin et celui de l'infirmière puisque, comme vous l'avez dit, à une époque les infirmières assuraient un grand nombre de tâches qui, ensuite, leur furent interdites. Je connais notamment des cas où les infirmières n'ont toujours pas le droit de mesurer la tension artérielle, ce qui est bien sûr ridicule.

En Ontario, nos professions tombent sous le coup de la Health Disciplines Act et elles sont réglementées par le College of Nurses et par le College of Physicians and Surgeons. Ces associations ont constitué un comité des procédures spéciales qui se réunit très régulièrement pour étudier le transfert de certains de ces actes médicaux aux infirmières, suivant le cas. Par exemple, si dans un établissement les médecins souhaitent que les infirmières accomplissent telle ou telle tâche, le directeur des services infirmiers se met en contact avec le College of Nurses pour que le comité des procédures spéciales détermine si les infirmières peuvent accomplir la tâche en question, moyennant une certaine formation supplémentaire. D'ailleurs, nous avons une brochure où sont précisées ces procédures spéciales.

Il s'agit en général de procédures hautement techniques telles que celles auxquelles ont fait appel dans les unités de soins aux coronariens et dans les unités de soins intensifs. Il est très important que ces questions soient parfaitement au point parce que les risques de problèmes sont très grands et il y a également la question de la responsabilité juridique. Il importe donc que toutes ces questions soient parfaitement réglées.

Quoi qu'il en soit, le nombre des infirmières assumant ce genre de tâches est relativement limité, je crois. Ce qui nous concerne le plus ce sont, par exemple, les conseils en matière de santé, les renseignements sur la santé et les activités de promotion, autant de fonctions qui se rattachent naturellement au rôle des infirmières. Avec le temps, et à mesure que nous précisons les tâches que nous assumons, les choses deviendront plus claires. Il y a cependant des impératifs territoriaux et il nous faudra collaborer avec la profession médicale pour délimiter parfaitement cette zone grise qui nous sépare et pour faire en sorte que les gens soient bien préparés. Il est certain que nous devons veiller à assumer ces fonctions convenablement une fois qu'elles nous auront été confiées.

**M. Herbert:** Vous avez utilisé le terme «territorial»; je suppose que vous l'entendez dans le sens vertical, et non pas au sens régional. Maintenant, il me semble qu'il y ait très peu de variation en ce qui concerne les responsabilités et les tâches des infirmières dans notre pays. C'est là que semble se situer la similitude. Autrement dit, les services infirmiers sont relativement uniformes, d'un océan à l'autre.

**Mme Wheatley:** C'est une remarque à caractère très général que vous venez de faire et je serais d'accord avec vous sauf que, dans le sens nord-sud il y a des différences très profondes,



## [Text]

viced or less-developed areas as compared to the urban areas there are some very great differences . . .

**Mr. Herbert:** In numbers of nurses.

**Ms. Wheatley:** In the kinds of things nurses are allowed to do; and also it depends on the time of day. The CNA document talks about the "Nurse-ella syndrome", simply meaning that at a certain time of day, if there are lots of doctors around during the day, nurses are allowed to do certain things, and voilà, at the stroke of midnight suddenly we seem to be able to do a lot more.

**Mr. Herbert:** When you talk about time of day, I have made a note here about shift work and some of the problems created by the fact that nurses have to work 24 hours a day.

But to bring in my last couple of points together—there have been discussions here about the changes we are going to be seeing in the future as the population grows older—maybe healthier, but as we get a greater need for chronic care treatment and a proportionately less need for acute care. I get the impression—I say this because I have a veterans' hospital in my riding, where the treatment is obviously all chronic care—that the nursing profession does look on two standards of nursing: chronic care nursing and acute care nursing being completely different, and so on. The hospitals in Quebec are obligated to allocate a certain percentage of their beds to chronic care, which at least gives the nurses an opportunity to rotate in some fashion. But I envisage a situation in the future where there will probably be more and more institutions built purely for chronic care. From the nurses' point of view, do you see any problems arising where nurses might tend to find it more interesting to be in a hospital dealing with acute care patients and less interesting to be looking after either chronic care or terminal cases?

• 2105

**Ms. Wheatley:** My first reaction is to say I hope not. I think there is a growing recognition—certainly I have seen this just in talking with nurses over the past few years—and increasing recognition and interest in the care of the elderly, chronic care nursing, rehabilitative medicine, and those kinds of areas; and I think increasingly that will be the case. Again, nurses are individuals with different interests and so on, and some will always like to be in the active treatment setting, the emergency rooms, the CCUs and ICUs. But I think there is a growing interest in the whole area of care of the elderly and care of the chronically ill. As we get better at it, and as we document it and it becomes part of our body of knowledge as nurses—there are more and more continuing education courses, for example, being made available to nurses who wish to increase their expertise in the area of gerontology. Our association is declaring next year the Year of the Elderly Person. So there are a lot of activities along that line, simply in recognition of the fact that we are going to have to care for increasing numbers of elderly over the next 20 or 30 years.

**Mr. Herbert:** In the medical profession we are obviously seeing some dissatisfaction, caused in part by salary but also in

## [Translation]

certaines régions sont mal desservies ou insuffisamment développées par rapport aux régions urbaines.

**M. Herbert:** Vous voulez parler du nombre des infirmières.

**Mme Wheatley:** Je veux parler de ce que les infirmières sont autorisées à faire; et cela dépend également du moment de la journée. Le document de l'AIC fait état d'un syndrome infirmier et on veut dire par là qu'à certaines périodes de la journée, quand il y a beaucoup de médecins présents, les infirmières ne peuvent assumer que certaines fonctions alors que, tout d'un coup, une fois minuit sonné, elles peuvent faire beaucoup plus.

**M. Herbert:** Vous parlez des différents moments de la journée et j'ai fait une note à propos du travail par équipe et de certains des problèmes dus au fait que les infirmières doivent travailler 24 heures sur 24.

Quoi qu'il en soit, on a parlé ici de l'évolution que nous allons constater à l'avenir à mesure que la population va vieillir, et peut-être que sa santé va aller s'améliorant. Il y aura de plus en plus de besoins pour le traitement des maladies chroniques alors que, proportionnellement, les besoins pour le traitement de maladies aiguës iront s'amenuisant. Il y a dans ma circonscription un hôpital pour anciens combattants et, bien sûr, ce ne sont que des maladies chroniques que l'on y soigne; j'ai donc l'impression que votre profession fait une distinction entre deux types de soins infirmiers: d'une part ceux concernant les maladies chroniques et d'autre part ceux concernant les maladies aiguës, les deux étant totalement différents. Au Québec, les hôpitaux sont obligés de réserver un certain pourcentage de leurs lits aux malades chroniques, ce qui donne au moins aux infirmières la possibilité d'une certaine rotation. Je suppose qu'à l'avenir il y aura de plus en plus d'établissements ne recevant que des malades chroniques. Ne pensez-vous pas que cela pourra poser des problèmes en ce sens que les infirmières préféreront travailler dans les hôpitaux où l'on traite les maladies aiguës et qu'elles s'intéresseront moins aux malades chroniques ou aux malades en phase terminale?

**Mme Wheatley:** J'espère que ce ne sera pas le cas. Ces dernières années, j'ai pu constater que les infirmières s'intéressent de plus en plus aux personnes âgées, aux malades chroniques, à la réadaptation, à tous les domaines de ce genre; et je pense que ce sera de plus en plus le cas. Bien sûr, les infirmières sont des individus et toutes n'ont pas les mêmes intérêts. Il y en aura toujours qui préféreront le traitement actif, les salles d'urgence, les USC et les USI. Je pense cependant que l'on s'intéresse de plus en plus à soigner les personnes âgées et les malades chroniques. Il y a par exemple de plus en plus de cours de formation continue qui sont offerts aux infirmières qui souhaitent accroître leurs compétences dans le domaine de la gérontologie. Notre association a décidé que l'année prochaine serait l'Année du troisième âge. Beaucoup d'efforts sont donc déployés dans ce sens et c'est simplement parce que l'on tient compte du fait qu'au cours des 20 ou 30 prochaines années le nombre des personnes âgées auxquelles nous devrons prodiguer nos soins va aller en augmentant.

**M. Herbert:** Il est clair que, dans la profession médicale, on peut constater un certain mécontentement dû en partie au

*[Texte]*

part by standardization and regimentation and so on and so on. The life of a nurse has been fairly well regimented in that sense in the past, I suppose, but I get the impression that as there is an increasing number of chronic care patients life may be a little less interesting for the nurse. But you seem to indicate that is not necessarily so.

**Ms. Wheatly:** That is right.

Would you agree with what I said?

**Ms. Powers:** Yes.

**Mr. Herbert:** Good. Anyway, thank you. I enjoyed your brief very much.

Thank you, Mr. Chairman.

**The Chairman:** Thank you very kindly for your presentation. It will certainly be very helpful to us in our study of this very complex issue, and I am sure it will help us with our decision and the report.

**Ms. Wheatly:** Thank you, Mr. Chairman. We will take your remarks, and if we have any further ideas or suggestions, we can either channel them through the Canadian Nurses Association or communicate with you directly. Thank you.

**The Chairman:** Thank you.

The meeting is adjourned until tomorrow afternoon at 3.30 in this room.

*[Traduction]*

salariat mais aussi à la standardisation, à une certaine discipline excessive et ainsi de suite. Dans le passé, la vie des infirmières était certes très disciplinée, mais j'ai l'impression qu'elles risquent de trouver leur métier moins intéressant à mesure que le nombre des malades chroniques va aller en augmentant. Vous semblez indiquer que cela ne sera pas nécessairement le cas.

**Mme Wheatley:** C'est exact.

Êtes-vous d'accord avec moi?

**Mme Powers:** Oui.

**M. Herbert:** Bien. De toute façon, je vous remercie. J'ai beaucoup apprécié votre mémoire.

Merci, monsieur le président.

**Le président:** Nous vous remercions beaucoup pour votre exposé. Il nous sera certainement très utile dans le cadre de notre étude de ce problème très complexe, et je suis certain qu'il nous aidera en ce qui concerne nos décisions et la rédaction du rapport.

**Mme Wheatley:** Merci, monsieur le président. Nous prendrons note de vos remarques et si nous avons d'autres idées ou d'autres propositions à vous communiquer, nous le ferons par l'intermédiaire de l'Association des infirmières canadiennes ou bien directement. Merci.

**Le président:** Merci.

La séance est levée. Nous reprendrons nos travaux demain après-midi à 15 h 30 dans cette même salle.





## APPENDIX "FISC-24"

Submission to  
Parliamentary Task Force on  
Federal-Provincial Fiscal Arrangements  
Ottawa, Ontario  
May 12, 1981



**The Canadian Medical Association**



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The Canadian Medical Association

L'Association médicale canadienne

May 12, 1985

## CMA BRIEF TO PARLIAMENTARY TASK FORCE

## ON FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

RECOMMENDATIONS

The Canadian Medical Association respectfully submits the following recommendations to the Task Force.

- (1) THAT THE GOVERNMENT OF CANADA, WHILE RECOGNIZING THE PRIMARY RESPONSIBILITY OF PROVINCIAL GOVERNMENTS FOR HEALTH CARE, CONTINUE TO PLAY AN ACTIVE ROLE IN FINANCING HEALTH CARE INSURANCE.
- (2) THAT THE GOVERNMENT OF CANADA, AND PROVINCIAL GOVERNMENTS, TAKE COLLABORATIVE ACTION TO CORRECT THE UNDERFUNDING OF HEALTH CARE IN CANADA.
- (3) THAT THE FINANCIAL SUPPORT OF GOVERNMENTS FOR HEALTH CARE BE INCREASED TO REACH A LEVEL OF 8.2% OF GROSS NATIONAL PRODUCT BY 1985; AND FURTHER THAT THE INCREASED FEDERAL GOVERNMENT PAYMENTS BE CONDITIONAL ON APPROPRIATE INCREASES IN HEALTH EXPENDITURES BY THE PROVINCES.
- (4) THAT THE ESTABLISHED PROGRAM FUNDING ACT FORMULA BE REVISED TO PROVIDE INCREASED FUNDING FOR THE LESS AFFLUENT PROVINCES.
- (5) THAT GOVERNMENT RECOGNIZE THE IMPORTANT ROLE OF PRIVATE FUNDING FOR HEALTH CARE SERVICES.



The Canadian Medical Association (CMA) is pleased to make this presentation to the Parliamentary Task Force on Federal-Provincial Fiscal Arrangements. We speak on behalf of our 34,000 members comprising most of the physicians providing medical services to Canadians.

Terms of Reference - Scope of Brief

The area under study in the mandate of the Task Force is very broad if not all inclusive with respect to federal-provincial fiscal arrangements. The CMA will restrict its comment to those areas related to health care, an area in which it has some degree of expertise and opinions that we trust will be of interest and value to the Task Force. In essence we will deal with the Established Program Financing Act of 1977 (EPF) and associated federal-provincial fiscal arrangements related to hospital and medical care insurance, the extended care program grant and, to a lesser degree, post-secondary education. While restricting our presentation to this portion of your assignment the Association recognizes that the federal funds provided under EPF for health care are not program-specific, thus, beyond the very general non-defined terms and conditions under which the federal government supports provincial health care insurance programs, the administration and financing of health care insurance remains essentially the prerogative and responsibility of provincial governments. Because health care insurance is no longer financed through a program specific federal/provincial cost-shared agreement, any alteration in federal-provincial fiscal arrangements, not just those specifically related to EPF, will

inevitably affect provincial government funding of health care programs.

### Federal-Provincial Responsibility

While recognizing the primary responsibility of provincial governments successive governments of Canada have played a vital leadership and financial support role in planning and operating of health care insurance programs. To cite just a few examples the Government of Canada has played a key role in the construction and equipping of hospitals and clinics; the building and developing of health science institutions, medical schools and training centres for other health care professionals and technicians; promoting and developing a wide range of public health programs, not to mention its pivotal role in medical research, the production of biologicals and the regulatory control of biologicals and drugs. The Task Force is aware of the role played by the federal government, through the Health Insurance and Diagnostic Services Act of 1957, to create a comprehensive and universal acute care hospital and diagnostic services insurance program in every province and territory. Ten years later the Government of Canada, despite the protestations of some provincial governments, assumed a primary leadership role and responsibility for the introduction of medical care insurance through the Medical Care Act. The federal government must be accorded considerable credit and assume a major portion of the responsibility for the introduction and financing of these programs commonly grouped together and referred to as Medicare by the Canadian public.



### Medicare - A Success with Problems

The resultant "partnership" of federal and provincial governments, hospitals and providers of health care services has not always been harmonious, but it has produced an almost unparalleled success story in the provision of an essential social service on a national basis. In his 1980 report<sup>1</sup> the Honourable Emmett M. Hall, CC, QC concludes that "by world standards it is one of the very best health services today". The CMA concurs with this evaluation. Mr. Hall continues "but that does not mean that serious difficulties have not manifested themselves nor that inequities have not been allowed to develop. There are serious problems which if not faced and resolved, can greatly diminish the efficiency of the program". Again, the CMA concurs.

It is the considered opinion of the CMA that the most serious and fundamental problem of health care delivery in Canada is underfunding. Many of the frequently cited problems are simply a manifestation of this underfunding. The report and recommendations of this Task Force; the subsequent conclusions reached by the Government and Parliament of Canada; and the eventual decisions resulting from negotiations with provincial governments ... will play a key role either in resolving or exacerbating the primary problem of health care ... underfunding. Parliament has assigned the members of this Task Force a responsibility of immense proportions. While your primary responsibility may be fiscal in nature let there be no doubt that the future delivery and quality of health care, and to some considerable degree the future level of health to be enjoyed by Canadians, will be determined by your decisions. The

1. The Honourable Emmett M. Hall, CC, QC, "Canada's National-Provincial Health Program for the 1980's", pg. 3.

delivery of health care has become interwoven with the fabric of intergovernmental financing arrangements. The people of Canada invariably rate health care insurance - Medicare, as the most valuable, most appreciated service provided by government. We believe that the public ascribe that connotation to government in the generic sense of the word, not specifically related to either the federal or provincial governments. The CMA is convinced that the public, voters of all political persuasions at all levels, would not countenance action that would seriously endanger Canada's health care system (the quality, accessibility or delivery of health care) whether that action were instigated by the federal or provincial governments, the medical profession or any other segment of society.

The Association urges the Task Force to study the health care system very carefully before recommending any changes in federal-provincial fiscal arrangements that could have a profound effect on parts or all of the system. It is imperative that you not lose sight of what produces its strengths and merits. We must ensure that solutions to lesser problems ... or what may be nothing more than irritants affecting a small part of the program or population, are not allowed to detract from the strengths of the program or to produce real larger problems. We must not allow imaginary, minor, or magnified problems to obscure the merits of current methods of financing or the health care system itself.



Life Expectation at Birth						
Country	1961*		1972#		1977**	
	Male	Female	Male	Female	Male	Female
Canada	68.4	74.2	69.3	76.4	70.2	77.5
Australia	67.9	74.2	67.6	74.2	67.6	74.2
Federal Republic of Germany	66.8	73.3	67.6	73.6	68.3	74.8
Finland	65.7	71.6	66.6	74.9	67.4	75.9
France	67.2	73.8	68.6	76.4	69.0	76.9
Netherlands	71.4	74.8	70.7	76.5	71.2	77.2
Sweden	71.2	74.7	72.1	77.5	72.1	77.8
Switzerland	69.5	74.8	70.3	76.2	70.3	76.2
UK	68.3	74.1	68.9	75.1	67.8	73.8
US	66.6	73.1	66.8	73.7	68.7	76.5
Average	68.3	73.9	68.9	75.5	69.3	76.1

\*Figures refer to the latest available year and vary from 1956 to 1962.  
#Figures refer to the latest year and vary from 1965 to 1972.  
\*\*Figures refer to the latest year and vary from 1976 to 1977.

Sources: 1977 Statistics Canada, U.N. Demographic Yearbook.

Our infant mortality rate is a very respectable 12.4 per 1000 live births (Table 2) down from the 1960 figure of 27.3.

Table 2

Infant Mortality per 1,000 Live Births				
Country	1960	1965	1970	1977
Canada	27.3	23.6	18.8	12.4
Australia	20.2	18.5	17.9	14.3*
Federal Republic of Germany	33.8	23.9	23.6	17.4#
Finland	21.0	17.6	12.5	12.0
France	27.4	18.1	15.1	11.4
Netherlands	16.5	14.4	12.7	9.5
Sweden	16.6	13.3	11.0	8.0
Switzerland	21.1	17.8	15.1	10.7
UK	22.4	19.6	18.4	14.0
US	26.0	24.7	19.8	15.1
Average	23.2	19.2	16.4	12.5
*Year 1975, #Year 1976. Sources: 1977 Statistics Canada, U.N. Demographic Yearbook				



The third commonly used epidemiological index of a nation's health status is maternal mortality - the rate at which women die as the direct result of pregnancy, childbirth and puerperium. Again, as indicated in Table 3, exceptional advances have been made in the health care of expectant mothers and Canada's experience compares favourably.

Table 3

Maternal Mortality: Complications of Pregnancy, Childbirth and Puerperium (Death Rates per 100,000 liveborn)										
Country	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Canada	20.8	20.2	18.2	15.5	10.8	9.8	7.5	6.7	5.0	-
Australia	17.6	25.6	18.5	12.5	11.3	11.4	5.6	13.2	8.0	-
Federal Republic of Germany	53.1	51.8	50.5	42.8	45.9	35.5	39.6	36.3	34.0	25.5
Finland	14.8	12.4	8.2	12.0	10.6	4.8	10.7	-	-	-
France	25.0	28.2	22.2	25.4	24.1	22.1	19.9	17.5	-	-
Netherlands	19.4	13.4	13.2	10.7	10.3	14.0	10.7	5.1	12.7	10.8
Sweden	10.2	10.0	7.9	7.1	2.7	7.3	1.9	4.1	11.5	-
Switzerland	29.3	25.2	27.0	21.9	18.3	11.8	12.7	8.1	4.1	18.2
UK	16.4	18.6	17.3	13.9	17.2	19.2	8.4	13.4	12.7	6.3
US	22.9	22.7	20.2	18.1	16.6	15.1	13.0	12.9	12.4	15.2
Average	22.9	22.7	20.2	18.1	16.6	15.1	13.0	12.9	12.4	15.2

Source: World Health Organization, World Health Statistics, Vital Statistics and Causes of Death, 1980, pgs. 394, 395, 396.

Canada has markedly extended hospital and other health care facilities. In 1966 we had 114,591 acute care hospital beds, or 5.7 per 1,000 population. At present we have approximately 126,000 beds and a bed to population ratio of 5.4 per 1,000. There have been major improvements in the quantity and quality of professional and technical personnel, equipment and facilities within those hospitals ... far beyond what would have been possible without provincial and federal funding resulting from health care insurance. Unfortunately the same degree of improvement or current status cannot be claimed for other health care institutions. Practically every community in the country suffers from a serious, on-going shortage of extended or long-term services ... chronic care hospitals, nursing home beds and home care programs.

A major concern of the 1964 Royal Commission on Health Services was the shortage of physicians and the inadequacy of our medical schools and hospitals to train sufficient numbers of physicians to meet the anticipated increase in demand for medical services. At the time Canada had about 25,000 qualified physicians and a physician population ratio of 1 per 785. The 13 medical schools in existence at that time were graduating 786 students per year. For several years Canada depended heavily on physician immigration, especially from the United Kingdom, but today our 16 medical schools graduate 1,756 physicians per year. Immigration has been reduced, by deliberate policy, from a high of over



1,300 in 1969 to 263 in 1978. We currently have about 43,000 physicians or a physician population ratio of 1 per 558, a figure that compares favourably to that of countries of comparable development. While we still have areas suffering from a shortage of physicians (in general or in specific specialties or sub-specialties) there is now a growing concern with the possibility and problems related to a surplus of physicians. Indeed, while statistically valid proof is not yet available, there is growing anecdotal evidence that we may already have a surplus of some types of physicians in some communities. With a few noteworthy exceptions, the same general situation is true with respect to other health care professionals and technicians.

In our publicly administered medicare programs patients have not been relieved of all responsibility for health care costs, nor in the opinion of the CMA should they be. However, catastrophic health care costs have been eliminated for acute care hospitalization (not necessarily for chronic or other long-term institutional care) and the services of physicians. The vast majority of Canadians have *reasonable access* to the medically required services of physicians and acute care hospital services. As documented elsewhere<sup>2</sup>, and contrary to the conditions for the program outlined in the Medical Care Act, payment for physician's services has not been *fully transferable* and in the opinion of the CMA the provincial programs have frequently failed to operate on a basis "*that provides for reasonable compensation for insured services rendered by medical practitioners ...*".

2. CMA submission to Hall Review, February 1980.

Governments may also consider Canada's health insurance programs successful models of effective health care cost control. In fact the CMA is quite concerned that governments have exerted excessive fiscal controls to the detriment of the programs. In 1966, immediately prior to the introduction of medical care insurance, Canada was spending 6.1% of its gross national product (GNP) on health care ... a figure comparable to the proportion of GNP spent on health care by France, Germany, the Netherlands, the United Kingdom and the U.S.A. During the following decade (see Table 4 and Figure 1), Canada's expenditure growth on health services was much less than these other countries, although our economy and GNP increased at comparable rates.

The basic reason for this slower growth in expenditures is that Canadian governments exercised much greater fiscal control over costs. This cost control was realized in spite of the simultaneous introduction of a universal comprehensive medical care insurance program considered to be one of the best and most extensive in the world. During the 1966 to 1976 decade, Canada increased its health care expenditures from 6.1% to only 7.1% of GNP - an average annual increase above GNP growth of only 1.5%. During the same period:

- France increased from 6.1% to 8.7% of GNP - an annual average increase of 3% above GNP growth.
- West Germany increased from 5.6% to 9.7% of GNP - an annual average increase of 6.3% above GNP growth.



- The Netherlands increased from 5.1% to 8.5% of GNP - an annual average increase of 5.2% above GNP growth.
- Sweden increased from 6.2% to 8.7% of GNP - an annual average increase of 3.8% above GNP growth.
- The United Kingdom increased from 4.3% to 5.8% of GNP - an annual average increase of 3.0% above GNP growth.
- U.S.A. increased from 5.8% to 8.6% of GNP - an annual average increase of 4.0% above GNP growth.

More recent confirmed data show that health care expenditures in the U.S.A. reached 9.1% by 1978. Canadian expenditures fell to 7.04% of GNP in 1977, remained at about that level in 1978, and preliminary estimates show a slight increase to 7.14%<sup>3</sup> in 1979. Clearly in terms of increases in the proportion of GNP spent on health care, Canada has not kept pace with these comparable countries. This is critically important because the increased proportion of GNP spent reflects the cost of implementing new procedures and techniques, and other quality improvements in the health care system.

3. Unpublished data from Health & Welfare Canada indicate that there have been subsequent revisions in Canadian expenditure data indicating slightly higher GNP ratios in 1975 and subsequently. However, as these reduce to 7.14% of GNP in 1979 the variations make no significant change in our analysis or projections.

Health Care Expenditures in Seven Industrialized Countries: Health Expenditures as a Percentage of Gross National Product (GNP)							
Year	France	FGR	Netherlands	Sweden	U.K.	U.S.A.	Canada
1966	6.1	5.6	5.1	6.2	4.3	5.8	6.1
1967	6.2	6.1	5.3	6.6	4.4	6.2	6.4
1968	6.2	6.2	5.9	7.0	4.4	6.5	6.6
1969	6.3	6.3	6.0	7.2	4.5	6.7	6.8
1970	6.6	6.1	6.3	7.5	4.9	7.2	7.1
1971	6.8	6.6	6.8	8.0	5.0	7.6	7.4
1972	6.9	7.1	7.2	8.0	5.2	7.8	7.2
1973	7.0	7.6	7.4	7.9	5.3	7.7	6.8
1974	7.3	8.5	7.7	8.2	5.5	7.8	6.7
1975	8.1	9.7	8.6	8.7	5.6	8.4	7.1
1976	8.2	-	8.5	-	5.8	8.6*	7.1
Avg Annual % Incr. per yr	3.0	6.3	5.2	3.8	3.0	4.0	1.5
% Change 1966-76	34.4	73.2	66.7	40.3	34.9	48.3	16.4

Source: Joseph G. Simanis and John R. Coleman, Health Care Expenditures in Nine Industrialized Countries, 1960-76, Social Security Bulletin, Volume 43, Issue No. I, January 1980.

\*Available data shows a continuing increase over the next 2 years.  
U.S.A. 1977 - 9.0  
1978 - 9.1



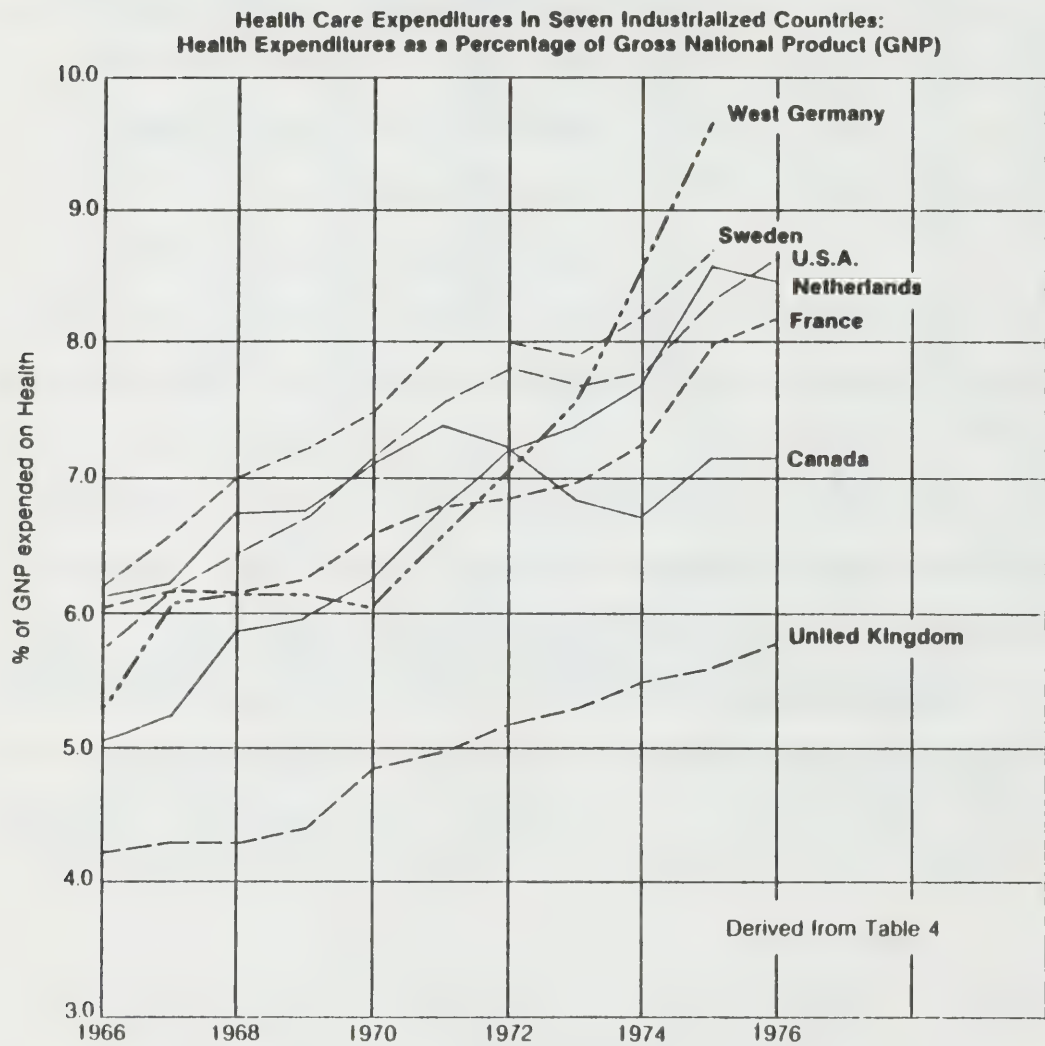


Table 4 — Fig. 1

Obviously, the federal government cannot be held completely responsible for the nation's shortfall in health care expenditures. In fact, in the year 1978, the first complete year under the EPF formula, the federal government's health payments to the provinces increased by 14.7%, whereas GNP growth was only 10.0%. In that year, Canada's overall expenditures on health increased by only 9.8% - less than GNP growth. Again, in 1979 federal payments to the provinces increased by 14.0%, whereas GNP increased by 13.0%. While final overall expenditures on health care are not yet available for 1979, preliminary estimates indicate only a nominal increase from 7.04% to 7.14% of GNP. These data indicate that the major responsibility for excessive cost restraints during 1978 and 1979 rests with the provinces. The federal government's increase in payments in these years was predicated on some reduction in provincial spending on health insurance programs so that the provinces could spend more on other health care programs. However, the data suggest that the provinces did not spend all of these monies on health care.

In 1980, the federal government's payments to the provinces for the health insurance programs increased by 10.7%, exactly matching the 10.7% increase in GNP. This is not surprising because the nature of the EPF formula requires that the federal government increases for 1980, 1981, and 1982 match increases in GNP. Thus during this period the federal government will not assume its responsibility to provide increased financing to effect improvements in the system.



The developments and advances in health care have been national in scope, and extensive and widespread in terms of the medical disciplines and the disease conditions involved. Increased longevity or life expectancy is important; equally important, but more difficult to document, are improvements in the level of health - the quality of life that Canadians have enjoyed as the result of developments, improvements in, and more effective delivery of health care services. With your permission we would like to provide a small cross-section of examples that have evolved in the last 10 to 20 years - during Medicare's evolutionary period, and a brief outline of their significance to the quality and cost of health care for Canadians.

Audio-Visual Presentation

Random Sample of Major Developments in Health Care Delivery

The results of medical research will unquestionably produce additional discoveries, advances, and improvements in the quality of health care available.

Cost Increases Inevitable

These developments and programs obviously have major health care cost implications. Many of them result from very sophisticated and expensive, both in terms of capital and operating cost, advances in technology. Most of them demand the employment of more, more highly trained and more expensive personnel. Labour costs are often the major factor in the production of products and the provision of services, and

this is particularly true with respect to health care. Over 75% of hospital costs are for labour and hospital costs comprise 50% of health care costs. Private medical practice, all health care, is essentially a personal service/labour intensive industry. While the results of health care improvements are an extended life expectancy and an improved quality of life, they also generally mean a more extensive, a more extended period of, and more expensive treatment. Cost increases are magnified when a new development becomes a routine component of health care - thereby spreading in application to a larger percentage of the potential patient population. The costs increases are magnified even further as Canada's population increases, and in particular as the older segments of the population (that place even heavier than average demands on the health care system) grow in terms of total numbers and percentage of the population. At the same time we have negligible or no economic barriers to either patient demand for, or the provision of, health care services. Canadian citizens have been given an implied if not explicit promise by government that they have a right to an unlimited supply of all that medical science has to offer. Public expectations have increased in terms of quality, availability, extent and volume of health services desired, if not demanded. Indeed, there has been a considerably broadening of what in public opinion constitutes health care, what should be and is financed by Medicare. Major, on-going cost increases are inevitable. The introduction of new services, increased demand, more extensive provision of the services, etc., combined with



continued inordinate government restraint on health care funding can only lead to a deterioration in the quality of care provided.

#### Federal/Provincial Cost Sharing

It would be incorrect to assign responsibility for this underfunding of health care to the 1977 Established Programs Financing Act ... the trend was well established by provincial governments during the so-called open-ended cost-sharing period. However, the terms and conditions of the EPF Agreement have been a contributing factor in recent years. The initial federal provincial funding method was to share about equally the overall costs of hospital and medical care insurance programs. The federal financial support was program specific so that provincial governments received Government of Canada financial aid only for acute care hospital and diagnostic services, and the medically required services of physicians. For hospitals the federal government contributed 25% of the "per capita" program costs in Canada plus 25% of "per capita" costs in the province multiplied by the number of insured persons in that province. The federal contribution took the form of cash except in Quebec where a tax transfer of 16 personal income tax points with provision for adjustment payments or recoveries as required were negotiated. In short, the provincial governments paid hospital insurance costs and were reimbursed by the federal government for 50%. In some cases a considerably larger portion of the costs involved were paid by the federal government. For medical care insurance the federal government contributed in cash to all provinces 50% of per capita program costs in Canada multiplied by the number of

insured persons in each province. Again, in some cases more than one half of the costs were paid by the Government of Canada.

To a considerable degree, Government of Canada contributions for hospital and medical care insurance were related to national per capita costs. The formulas provided major fiscal advantages to those provinces with less developed programs, helping them to extend and improve the quality of health care services.

In 1977, the principle of program specific cost-sharing was abandoned in favour of the EPF Agreement. That Agreement established a pre-determined level of financial support from the federal government that was related to the gross national product and federal government fiscal policy rather than to hospital and medical care insurance program specific costs determined at the provincial level. It also eliminated costly, non-productive and irritating administrative costs to ensure that the program-specific requirements to qualify for federal funding were met. The Agreement also provided provincial governments with additional flexibility to develop health care programs that would not have qualified for federal government financial support under the old cost-sharing criteria. As Table 5 shows, provincial governments have, to some degree, responded to this additional flexibility and raised the amount and rate of increase of financial support for health care programs other than acute care hospital and medical care insurance.



Table 5

Annual Growth in Total Provincial Health Care Expenditures on Programs other than Medical Care, Hospital Insurance and Extended Health Care in Percent; 1976-77 to 1979-80					
Province	1976-77 (%)	1977-78 (%)	1978-79 (%)	1979-80 (%)	1980-81 (%)
Newfoundland	-4.1	-1.0	16.7	9.5	10.8
Prince Edward Island	24.0	7.2	6.0	0.7	32.3
Nova Scotia	-2.1	6.7	9.7	16.3	30.3
New Brunswick	5.2	22.5	19.3	21.7	12.7
Quebec	-2.1	9.7	10.5	4.5	13.8
Ontario	8.6	9.7	24.0	9.5	8.6
Manitoba	10.3	9.8	6.7	13.5	8.0
Saskatchewan	24.1	20.5	-1.6	27.9	10.3
Alberta	-0.07	33.4	35.2	28.9	27.3
British Columbia	13.0	24.1	23.9	12.7	20.0
N.W.T.	146.4	-14.5	61.0	-44.2	41.5
Yukon	5.3	10.0	27.3	10.7	9.7
Average	5.6	13.8	18.9	12.4	14.9
Average excluding N.W.T. & Yukon	5.4	13.9	18.8	12.6	14.8
Source: Derived from data provided by Health Economics Division, Health and Welfare, November 1980.					

However, provincial governments, except Quebec, have taken advantage of this new flexibility to markedly reduce the proportion of costs for hospital and medical care insurance paid from provincial revenues - including the revenue derived from premiums in Ontario, Alberta and British Columbia.

Table 6

Provincial Contribution to Hospital and Medical Care Programs by Province (%)					
Province	1975-76 (%)	1976-77 (%)	1977-78 (%)	1978-79 (%)	1979-80 (%)
Newfoundland	49.5	44.4	46.7	42.9	40.0
Prince Edward Island	41.1	38.6	44.9	30.5	26.0
Nova Scotia	46.0	45.1	43.3	40.1	38.3
New Brunswick	41.9	42.8	43.9	30.7	29.8
Quebec	49.4	51.4	42.6	49.6	48.8
Ontario	49.4	49.7	47.6	43.5	40.0
Manitoba	47.1	46.3	47.6	41.5	40.0
Saskatchewan	41.7	42.8	44.0	39.7	36.3
Alberta	53.8	52.4	47.6	43.3	42.8
British Columbia	54.6	52.7	53.2	49.5	47.1
Average	49.7	49.9	47.8	45.2	43.1
Source: Derived from Table 2, Canada's National-Provincial Health Program for the 1980's, The Hon. Emmett M. Hall, C.C., Q.C., Special Commissioner.					

For a period, at least one provincial government actually was able to reduce the amount of money allocated from provincial revenues for medical care insurance. The EPF Agreement had the effect of providing provincial governments with an even greater incentive to enforce strict cost control on hospital and medical care insurance programs. Instead of saving 40 or 50 percent of cost reductions, or reduced rates of increased expenditure, (the Government of Canada saved the balance) the provinces now realize a 100% saving of economies introduced. As documented by the Hall Report (Chapter 2, Table 5, page 18), since EPF was introduced four provinces have reduced the percentage of provincial government budgets spend on health. With the exception of British



Columbia, increases in percentage of provincial government budgets spent on health have been modest.

In the same period - fiscal 1975-76 to 1978-79, seven provincial governments spent the same or a lower percentage of provincial gross domestic product on health care.

Table 7

Total Health Expenditures by Provincial Governments(a) as Percent of the Total Estimated Provincial Gross Domestic Product(b)								
Province	Estimated Provincial GDP(b)				Health Expenditure - % of GDP			
	1975-76	1976-77	1977-78	1978-79	1975-76	1976-77	1977-78	1978-79
\$millions								
Nfld	2,134.4	2,548.1	2,847.6	2,987.8	9.8	8.9	8.4	8.9
P.E.I.	454.8	523.7	551.9	633.7	9.2	8.6	10.2	9.4
N.S.	3,989.1	4,644.2	5,087.9	5,636.1	7.2	6.9	6.9	6.9
N.B.	3,231.6	3,646.0	3,941.5	4,396.5	6.9	6.9	7.1	7.0
Quebec	39,761.9	46,214.1	50,108.6	56,180.9	6.7	6.6	6.5	6.5
Ontario	66,229.7	75,975.7	82,986.2	89,940.0	4.8	4.0	4.8	4.8
Manitoba	6,966.7	7,953.4	8,498.0	9,300.3	5.9	5.9	6.0	5.7
Sask.	7,085.8	7,972.2	8,457.3	9,661.5	4.6	5.0	5.3	5.0
Alberta	18,795.5	21,405.9	24,615.0	28,128.9	4.0	4.0	3.7	3.9
B.C.	19,053.6	22,786.2	25,439.0	27,890.7	5.2	4.8	4.8	5.1
Canada - excluding NWT & YT	167,703.1	193,670.4	212,533.0	234,756.4	5.4	5.3	5.3	5.4
Derived from Table 8, Canada's National-Provincial Health Program for the 1980's, The Hon. Emmett M. Hall, C.C., Q.C., Special Commissioner.								

The old health care insurance cost-sharing method had in large measure insulated these programs from the vicissitudes of provincial government revenues and expenses. These programs are now in direct competition for provincial government revenues not only for allocations to other health services but with every other provincial government

department and service. While doctors and hospitals accept this concept as a pragmatic fact of life they are concerned about current and future implications for hospital and medical care insurance. The quality of health care depends on adequate financing as much as it does on the number and ability of those who provide it. We are therefore intimately involved professionally and personally in decisions which affect any aspect of federal-provincial financing. Any decision that reduces the current level or rate of increase in federal fiscal transfer to the provinces will make financing health care programs more difficult and could contribute to a deterioration in quality.

There are indications that the Government of Canada is considering such action. In the October 28, 1980 budget speech, the Honourable Allan MacEachen stated:

"The federal-provincial arrangements governing the Established Program Financing and Canada Assistance Plan payments will shortly be negotiated. Figures shown for these programs for 1982-83 and 1983-84 are estimates of what would occur if the terms of the current arrangements were continued.

	1980-81	1981-82	1982-83	1983-84
Established Program Financing including Extended Health Care - in millions	5,708	6,404	6,938	7,590
percentage change	6.1	12.2	8.3	9.4



While the Social Affairs envelope clearly remains one of the government's most basic priorities, as is reflected in the fact that it continues to account for by far the largest share of expenditures, the rate of growth of this envelope will be held below that of total outlays. The government intends to achieve net savings in this area to help finance initiatives in other envelopes. Because of the statutory nature of much of the spending in this envelope, savings are not assumed to begin until 1982-83. Savings are expected to include reductions in federal transfer to provinces relating to areas coming under provincial jurisdiction. In part, savings may be redeployed within the envelope."

The suggestion of such potential government action is repeated in Chapter 2, Part 1 of the 1981-82 estimates "However the rate of growth in this envelope (Social Affairs) will be held below the rate of growth in total outlays. As indicated in the budget, savings in this area will in part be realized in programs of federal contributions to areas under provincial jurisdiction and these savings will help finance new initiatives in other areas".

The presentation of the Minister of Finance to this Task Force on April 23 further confirmed this fiscal restraint objective and indeed appears to prescribe the terms of reference of the Task Force. Mr. MacEachen's statement that no decision has been made about where the \$1.5 billion reduction in increased expenditures in the Social Affairs

Envelope will be made, and the suggestion that it may not be possible to realize such "savings" in the health care area are encouraging but by no means salutary. It is our contention that even current levels of increasing government financial support for health care are inadequate.

If the terms of reference of this Task Force are merely to determine ways in which the federal government can reduce its financial commitment to our health insurance programs, then the federal government has reneged on its responsibilities to provide its fair share of the funding of these programs. We have seen that since 1966 Canada has lagged behind other countries in allocating an increasing share of GNP to improve the system. Traditionally, the federal government has assumed a responsibility for approximately 31.2%<sup>4</sup> of the overall cost of health services in Canada. Maintaining the existing EPF formula guarantees that the federal government's payments to the provinces will not exceed GNP growth and thus will ensure that Canada lags further behind other comparable countries in the pursuit of quality in health care.

#### Underfunding and its Results

The Canadian Medical Association is most concerned with the documented underfunding of the health care system. Underfunding appears to be a natural consequence of a disturbing set of circumstances which guarantees that the demand for, and cost of, services will rise but provides little hope that the fiscal resources of provincial governments will provide sufficient funds to meet future requirements. In the 1950s and 60s, when our health insurance programs were being formulated,

4. Derived from Estimates of Total Expenditures on Health Care by Sector, DNH&W Health Information Division Unpublished Data April 1981.



it was envisaged that the system would be financed primarily through significant future increases in the growth of the Canadian economy. Unfortunately, our then buoyant growth rates did not persist. The 1970s have seen a continuous erosion of Canada's economic status. The CMA finds it difficult to escape or accept the conclusion that we are approaching the point at which the quality of our health service system will be determined not by scientific knowledge and technical ability to meet medical requirements, but rather by the fiscal capabilities, and political priorities of our governments.

Underfunding has produced many undesirable side effects or sequential problems. Provincial governments have rigidly controlled the construction/addition of new acute care hospital beds and in many instances have converted parts or entire hospitals into extended or chronic care institutions. For example in Ontario, before 1972, the government used as the foundation for its hospital construction and operating policies guidelines calling for 5.0 active treatment beds per 1,000 population in the southern part of the province, 5.5 in the north. Physicians questioned the practicality and validity of the guidelines then, and continue to do so. In 1972 the bed planning guidelines were reduced to 4 beds per 1,000 in the south and 4.5 in the north. They have been further reduced to a goal of 3.5 and 4 per 1,000. Ostensibly this reduction in general acute care hospital bed ratios is compensated for by increased chronic care beds, hospital daycare, outpatient diagnostic clinics, and daycare surgery, where the patient is not admitted to hospital but served on an outpatient basis, or by being treated at home via improved mobile medical and community support

systems. We use the term ostensibly because, while laudable in theory, the system does not meet requirements in practice.

The result has been increased bed occupancy rates that are frequently beyond optimal or acceptable levels, if not reaching the point of being dangerous. The problem is compounded by a national shortage of chronic or extended care hospital and nursing home beds. Numerous studies document that 15 or 20 percent of acute care hospital beds are occupied by patients for whom less expensive, acceptable, even more desirable facilities are unavailable. Physicians are forced to select patients who require the specialized services of an intensive care or cardiac care unit but who must be moved out in order to accommodate a patient who has been admitted with more acute requirements. Emergency departments frequently process 50 or 100 percent more patients than they were designed to accommodate. Many patients are kept on elective surgery waiting lists for weeks, awaiting appropriate operating room facilities or a hospital bed. Hospitals, shackled by marginal budget increases established by provincial governments, must make as many economies as possible. Staff/patient ratios are maintained at a minimum and wards are closed during holiday periods for budgetary purposes. Labour negotiations are conducted on a very hard line, increasingly hostile basis that results in reduced staff morale. Salary increases are established by arbitration (frequently both unsatisfying to employees while costing more than government established budgets will allow), and legal and illegal strikes are common. Hospital services are more frequently disrupted. The cumulative result is a deleterious effect on the ability of hospitals to provide quality services.



### MD Dissatisfaction and Results

Strikes among physicians have been rare, but not unknown (Saskatchewan 1962; Quebec radiologists 1965; Quebec specialists in 1970; salaried physicians in Manitoba 1975; and by physicians in training in several locations). There have also been a number of other forms of labour protest action, such as massive opting out in P.E.I. during 1979 (50%), complete opting out by Quebec general practitioners on a geographical rotational basis in 1975, medical staff refusal to admit patients to Fisherman's Memorial Hospital in Lunenburg, N.S. (1980) and threatened massive hospital medical staff resignations in the Abitibi area of Quebec ... to the present moment. The major ramification of underfunding in medical care insurance has been a long-term series of inadequate Medicare benefits schedule increases. The related effect on physicians' relative earnings is perhaps best outlined in Table 8 that shows the changes in earning levels of physicians vs other self-employed professionals.

Table 8

Index of Taxable Returns by Selected Occupation, Canada (1971 = 100)				
Canada	Doctors and Surgeons	Lawyers and Notaries	Dentists	Accountants
1971	100.0	100.0	100.0	100.0
1972	104.1	109.8	109.8	108.7
1973	108.0	131.4	120.6	144.9
1974	112.7	153.4	137.5	165.0
1975	118.0	153.4	158.2	186.1
1976	124.7	161.0	167.8	196.5
1977	130.7	158.3	170.0	202.6
Source: "Taxation Statistics", Revenue Canada				

It is clear from this that income compression has had a selective application, other professionals having, in general, kept up with the cost of living. Moreover, these other professional groups have, on average, seen their numbers rise by 36% whereas the number of physicians has increased by 28%<sup>5</sup>. It is therefore difficult to make a "supply case" to answer for these differences.

If we take 1964 as the base year, the other three groups saw their income rise by 179.8% whereas physicians' incomes increased by 140.8% -- 28% less.

These results dramatically show that government has clearly had a dominant bargaining position in the 1970s. In a society where relative wage rates and incomes are "sticky", the degree of change noted in Table 8 clearly implies something is wrong; even if we include the 7 years immediately prior to 1971, government has well overshoot the mark in terms of maintaining income relativity. Physicians' real net incomes have risen a mere 17.5%<sup>5</sup> since 1964 -- a period of rapid economic growth when most Canadians enjoyed substantially improved incomes; a period when real average industrial earnings increased by 50% and per capita personal income by some 86%<sup>6</sup>.

Dissatisfaction among physicians with the operation of the medical care insurance program, although not restricted to inadequate payment levels, can only be described as rampant. That dissatisfaction has been

5. Taxation Statistics, Revenue Canada.

6. Statistics Canada, Various Publications.



manifested in more strident, strife-ridden collective negotiations (which we describe as collective begging because of the one-sided strength position of government), more physicians charging patients in excess of the Medicare benefits schedule by opting out in Ontario, Manitoba, P.E.I., and Newfoundland; selective patient or service streaming as in Saskatchewan, New Brunswick, and Prince Edward Island (physicians have the option of directly billing some patients for all or some services, while submitting most of their bills to provincial programs), or billing above the Medicare benefits schedule as allowed in Alberta and Nova Scotia. The ultimate protest has been expressed by the increase in the number of physicians who have left Canada for the United States. Historically, Canada has had a net loss of practising physicians in the order of 300 per year. In recent years that figure has doubled. The emigration of active fully qualified physicians reached an all-time high of 663 in 1978.

#### Problems at the Grass Roots

In the belief that it may be more helpful to this Task Force to deal with specific health care delivery problems, rather than in generalities, we would like to provide a brief overview of the health care delivery problems in the constituencies of the seven Members of Parliament of this Task Force.

#### Compensation Ability Exhausted

Obviously, a recitation of these problems begs the question. There is no question that current standards of quality compare favourably with outside reference points. Canadians currently enjoy a health status comparable or superior to that of many other comparable countries.

These results have been achieved by the health care delivery system through the combined efforts of health professionals, in spite of deterioration in the allocation of necessary funds.

The CMA is convinced that the Canadian health care system has exhausted its ability to compensate for inadequate funding without seriously affecting the availability and quality of care. We are seriously concerned about any action by the federal government that would have the effect of failing to provide additional amounts and levels of funding for health services. Canada must allocate a larger proportion of the gross national product to health care. We believe that as a minimum goal an orderly annual increase reaching the level of 8.2% by 1985 is indicated. Less developed provinces in particular will require more money from the federal government to offset essential growth costs in excess of their financial capabilities. We do not have data that accurately reflect differences in the financial capabilities of the provinces - their ability to finance health care insurance. However, the tremendous variation in the estimated 1980-81 per capita tax yield from \$76.72 in Newfoundland to \$163.78 in Alberta<sup>7</sup> is one of several indicators that leaves no doubt that there are considerable variations in the ability of provinces to pay for increased health care

7. (a) Source: Total Provincial E.P.F. Entitlements under Part VI of the Fiscal Arrangement Act, 1977. Fiscal years 1980-81 to 1983-84 - Special run Dec. 1, 1980.  
(b) Federal Contribution excludes one income tax point and its cash equivalent.  
(c) Actual refers to data presented for 1979-80 in Canada's National-Provincial Health Program for the 1980's "A Commitment for Renewal", the Hon. Emmett M. Hall, Q.C. Special Commissioner. Table 2, page 15.



costs. Equally obvious is the fact that a comparison of current per capita revenues understates the fiscal needs of the less developed provinces because most of them use relatively higher tax rates, but have substantially smaller marginal tax yields. The fiscal equalization program of the Government of Canada reduces disparities but does not eliminate them. Formulas that are based on national per capita costs, or that produce payments related to national per capita averages, are less effective for the less affluent provinces than they used to be. This is particularly true of health care costs and the related established program funding formula. Health care costs in provinces with less developed programs have escalated so that they are now closer to the national average, but the formula does not take fully into consideration the fiscal capability of a province to meet its share of those costs from its own resources. This is a very basic problem which is not addressed by the EPF formula.

Table 9

Estimated Provincial Per Capita Gross Domestic Product (Thousands of \$)				
Province	1975-76	1976-77	1977-78	1978-79
Newfoundland	3.89	4.57	5.05	5.25
Prince Edward Island	3.89	4.44	4.60	5.19
Nova Scotia	4.87	5.60	6.09	6.70
New Brunswick	4.86	5.39	5.74	6.33
Quebec	6.44	7.41	7.98	8.94
Ontario	8.10	9.19	9.93	10.65
Manitoba	6.87	7.78	8.26	9.01
Saskatchewan	7.81	8.66	9.03	10.20
Alberta	10.57	11.65	12.98	14.43
British Columbia	7.83	9.24	10.02	11.02
Canada (excluding NWT and Yukon)	7.41	8.45	9.08	9.94
Source: Derived from Canada's National-Provincial Health Program for the 1980's, Table 6 pg 19, Table 8 pg 21.				

The CMA was not surprised to learn that the Ministers of Health of the four Atlantic Provinces, in a joint submission to the December 15-16, 1980 Interprovincial Conference of Health Ministers stated "based on the latest per capita expenditure data, the Atlantic Provinces health care systems are 20% below the average of other provinces ... special (financial) assistance (for health services in the Atlantic Provinces) will be required since the current EPF arrangement does not provide sufficient funds for original services disparities to be overcome". The CMA believes that the EPF formula needs restructuring so as to provide more monies to the less developed provinces, i.e. the federal government should provide more financial help to those most in need of that help.



We believe such a fiscal mechanism is necessary to allow the evolution of provincial health care programs that are relatively comparable - that will protect what the Honourable Emmett Hall described as "the national character of medicare".

This concept has been appropriately recognized in the proposed Canadian Constitution Part II Equalization and Regional Disparities, Chapter 31, Part 2.

"Parliament and the Government of Canada are committed to taking such measures as are appropriate to ensure that provinces are able to provide the essential public services referred to in (1) (c) (providing essential public services of reasonable quality to all Canadians) without imposing an undue burden of provincial taxation."

The CMA believes there can be no question that health care insurance warrants such priority consideration by Parliament and the Government of Canada.

#### Direct Patient Payment

The Task Force will no doubt be required to review direct financial participation of patients in the payment for health services as a part of its review of the EPF Act and related Agreements with the provinces. The Honourable Monique Bégin, Minister of National Health and Welfare has on several occasions recorded her desire to see all forms of patient participation in Medicare eliminated. She is on record as attempting to gain a consensus among provincial ministers of health to include prohibition of patient participation (by the provinces) as a part of the yet-to-be-negotiated renewal of the EPF Agreement. The

Minister has been open and steadfast in her position on this issue and the CMA anticipates that she has or will make such representations to the Task Force. The Minister has vociferously opposed insurance premiums in British Columbia, Alberta and Ontario, and physicians billing patients for insured medical services in excess of medicare payment levels. We presume she has no objection to physicians billing patients for non-insured services. To our knowledge she has not declared if her opposition to patient participation extends to services provided by health care professionals other than physicians (whose services are frequently insured by Government of Canada supported provincial health care insurance plans, e.g. optometrists, chiropractors, physiotherapists, etc.) or institutional care other than that provided by hospitals such as nursing homes. The CMA opposes the Minister's position on this subject and recommends that the Task Force reject any effort to have the Government of Canada or Parliament initiate a prohibition of patient participation.

Opposition to patient participation is based primarily on a misconception of one of the fundamental terms of federal government support for medical care insurance --- accessibility, as outlined in the Medical Care Act ... and the belief that patient participation seriously interferes with accessibility. Opponents of patient participation frequently combine another fundamental term from the Medical Care Act "*universal*" to realize a non-existent but rhetorically catchy "Medicare requirement" of "universal access". The erroneous use and promotion of



the "universal access" concept has misled many Canadians into believing that the program was designed to pay all costs for all services for all patients. That clearly was not the intent, would have been imprudent when the legislation was passed, and would be an unwise practice to establish for the future. In the Medical Care Act the term *universal* relates to the insurance program per se ... that every citizen must be eligible to be insured under the cost-shared program ... that no one can be excluded because of high utilization, high risk or any other factor. The Act requires that insured persons must have *reasonable access* to services ... not universal access. The federal and related provincial legislation is clearly designed to establish an insurance program, not state medicine. The legislation implicitly contemplates the existence of direct patient billing. Advance approval of the Saskatchewan Medical Care Insurance Program that specifically accepted patient participation, and over 11 years of experience, leave no doubt about the acceptability of patient participation by those who drafted and have administered the legislation.

Direct patient participation in payment for health care is significant. About 25% of overall health costs is paid directly by the people involved, most of this for drugs and dental care. Table 10 shows the proportion of health care costs paid directly by Canadians.

Table 10

Private Sector Expenditures* on Health Care in Canada Total Health Care Expenditures (in Thousands of Dollars): Actual and Percentage, 1970-1978									
	1970	1971	1972	1973	1974	1975	1976	1977	1978
Private	1,863,965	1,904,807	2,004,081	2,265,808	2,570,935	2,907,216	3,281,886	3,683,854	4,129,916
Total	6,151,893	7,007,209	7,665,120	8,580,279	10,083,447	12,154,270	13,882,861	15,171,210	15,655,195
Private as a percentage of total+	30.3	27.2	26.1	26.4	25.5	23.9	23.6	24.3	24.8
*Private sector expenditures are all non governmental expenditures. Includes out of pocket expenditures of private individuals, expenditures reimbursed by private insurance and expenditures by corporations.									
+Private sector average over the period 1970-1978 was 25.8%.									
Source: Estimates of Total Expenditures on Health Care by Sector, Department of National Health and Welfare Health Information Division, Unpublished statistics, April 1981.									

The trends in private financing of health care costs are interesting, but since we are unable to identify individual components, their major importance is to demonstrate that in 1978 the general public from its own resources paid more than \$4 billion for health care. Payments to physicians are only a small part of this total. However, critics of direct patient billing by physicians ignore this substantial and necessary private expenditure. Further, there has been a substantial decrease during the 1970s in the proportion of health care costs paid privately, and this has had an adverse effect on adequate funding of our health services. Canada should take steps to increase substantially the proportion of health costs paid from private sources. Ideally, limitations on private funding should be eliminated so that the public could voluntarily offset the underfunding of the system caused by excessive governmental spending constraints.



Private payments within the system are a safety valve that the system badly needs. The number of physicians opting out or billing patients directly that exists at any time is related to the adequacy of Medicare payments. If benefit schedules meet the needs of physicians, direct billing to patients is reduced as proven by experience in Ontario, Alberta, Saskatchewan and Prince Edward Island. The amount of private billing that exists is the most reliable barometer available to indicate whether provincial governments are fulfilling their responsibility to "*reasonably compensate physicians*" ... one more, but generally ignored, fundamental term or condition outlined in the Medical Care Act. Adequate compensation for physicians' services, which depends on adequate funding for Medicare in general, is directly related to quality medical care.

In our opinion, more meaningful levels of private money should also be available to our hospitals. Hospital costs, which are very extensive, include both "hotel" costs and service costs. Some pre-determined, limited part of these "hotel" costs (such as food costs) should be, on an ability to pay basis, borne by patients. Providing a completely paid for in hospital program discriminates against many patients who are not ill enough to be admitted to hospital ... who must pay the complete costs of drugs, nursing care, dental care, rehabilitative devices, and, in some instances, for nursing home and chronic care accommodation. The Task Force should be aware of the fact that the criteria used: to determine if a patient is or is not admitted to an acute care hospital, kept in an acute care hospital or transferred

to a rehabilitation unit - a chronic care unit or a nursing home, is accommodated in a partial or completely financed by government institution, or is "sent home", is often very narrow and frequently arbitrary. That decision will determine if the patient pays none, part or all of the costs involved.

The health care insurance system in Canada is a government monopoly. Unlike Great Britain, Canada has a one tier system where all citizens are treated in the same facilities by the same professionals. Legislation provides that Canadians cannot insure themselves privately for the costs of insured services. Thus, all Canadians must obtain services within a system that provides no outside comparison for costs. The responsibility on governments to ensure quality improvements is very great, and in the current economic climate we do not believe that all provincial governments can guarantee payment for cost increases that are inevitable and necessary. Under these circumstances, the Government of Canada is courting disaster for our health insurance programs if it undertakes to reduce or merely maintain the current level of payments to the provinces for the medical and hospital insurance programs. The federal government initiated these health insurance programs, and notwithstanding obvious provincial responsibilities, has a continuing moral responsibility to ensure adequate financing.

We have stated that the Canadian health care system has exhausted its ability to compensate for inadequate funding without severely affecting the availability and quality of care. The international comparisons set out in Table 4 (page 12) shows that every country listed



at least doubled the annual GNP increase which Canada allowed in the decade 1966 to 1976. If we had matched even the 3% minimum increase of these countries, Canada would have spent 8.2% of GNP on health care by 1976. In fact, in 1979 Canada spent only 7.14% of GNP on health care. This means that Canada is spending at least \$2.5 billion less than it should be on health care.

Canadians must establish priorities and set attainable minimum goals to improve the financing of our health care system. If we establish an expenditure of 8.2% of GNP as a goal to achieve within the next five years, we shall still lag behind comparable countries, but we would be making a meaningful adjustment to place the financing of our health care system in a proper perspective. If health care costs and GNP grow at the same rate, this means we would have to realize an annual increase in health care expenditures 2.8% above the GNP increase as a minimum target. In approximate dollar amounts, this would mean an allocation of \$519.0 millions above the amount consistent with the 1980 GNP increase.

We do not know what GNP increases will be over the next five years; however let us assume that the GNP maintains the 1979-80 rate of nominal increase (10.69%) during the period 1980 to 1985. To meet the proposed national health care expenditure target of 8.2% of GNP by 1985, on an orderly graduated basis, would require:

- . in 1981 - 1 billion 116 million dollars above that produced by the current 7.14% of GNP spent on health care;
- . 1 billion 872 million in 1982;
- . 2 billion 736 million in 1983;
- . 3 billion 808 million in 1984; and
- . \$5,077,000,000 in 1985.

The traditional level of federal government responsibility in this areas has been 31.2%. To maintain that level would require Government of Canada allocations, in excess of GNP-produced increases, of:

1981 - \$348 million

1982 - \$548 million

1983 - \$854 million

1984 - \$1 billion 189 million

1985 - \$1,585,000,000



RECOMMENDATIONS

The Canadian Medical Association respectfully submits the following recommendations to the Task Force.

- (1) THAT THE GOVERNMENT OF CANADA, WHILE RECOGNIZING THE PRIMARY RESPONSIBILITY OF PROVINCIAL GOVERNMENTS FOR HEALTH CARE, CONTINUE TO PLAY AN ACTIVE ROLE IN FINANCING HEALTH CARE INSURANCE.
- (2) THAT THE GOVERNMENT OF CANADA, AND PROVINCIAL GOVERNMENTS, TAKE COLLABORATIVE ACTION TO CORRECT THE UNDERFUNDING OF HEALTH CARE IN CANADA.
- (3) THAT THE FINANCIAL SUPPORT OF GOVERNMENTS FOR HEALTH CARE BE INCREASED TO REACH A LEVEL OF 8.2% OF GROSS NATIONAL PRODUCT BY 1985; AND FURTHER THAT THE INCREASED FEDERAL GOVERNMENT PAYMENTS BE CONDITIONAL ON APPROPRIATE INCREASES IN HEALTH EXPENDITURES BY THE PROVINCES.
- (4) THAT THE ESTABLISHED PROGRAM FUNDING ACT FORMULA BE REVISED TO PROVIDE INCREASED FUNDING FOR THE LESS AFFLUENT PROVINCES.
- (5) THAT GOVERNMENT RECOGNIZE THE IMPORTANT ROLE OF PRIVATE FUNDING FOR HEALTH CARE SERVICES.

**APPENDIX "FISC-25"**

SUBMISSION TO THE PARLIAMENTARY  
TASK FORCE ON FEDERAL-PROVINCIAL FISCAL  
ARRANGEMENTS

CHIEF SOL SANDERSON  
PRESIDENT  
FEDERATION OF SASKATCHEWAN INDIANS

Ottawa, Canada  
May 12, 1981



## 1.0 SUMMARY AND RECOMMENDATIONS

Indians are the aboriginal people of what is now Canada. Since the arrival of the Europeans, Indians have entered a variety of explicit and tacit agreements with Imperial, governmental and corporate representatives of European nations -- agreements which were designed to accommodate the fur-traders and the settlers; which provided protection for Indian nations to continue their life-styles, to enjoy their culture, and to maintain the integrity of their institutions, including their governing institutions; and which regulated the relationships between Indian and non-Indian peoples.

Many aspects of these agreements were not respected or kept by the European authorities, and with the development of non-Indian society and its institutions, major incursions were made into traditional Indian jurisdictions. With the inception of Confederation, the Government of Canada undertook measures to deprive Indian peoples of rights to their resources -- land, water, wildlife -- and to denigrate Indian culture and Indian government. Even after the Treaties were negotiated and signed, and to this very day, provisions made explicitly to Indians were not and have not been kept.

In this submission, the Federation of Saskatchewan Indians reaffirms the historic obligations of the Imperial Crown to protect Aboriginal and Treaty rights, and to provide adequately

for promises made in the Treaties explicitly to support Indian education, health, social assistance, economic development, and community development (including housing and community infrastructure) services. The Federation also takes the position that while the Government of Canada is and should continue to be the administrator of the Imperial trust relationship to Indian people, that responsibility does not include the regulation of services to Indians nor does it extend to the control of Indian governments and their particular expenditure preferences.

The fiscal relationship of Canada to Indian people is both direct and indirect. The direct fiscal relationship, represented by grants and contributions, is currently too complex, over-regulated, inadequate for the level, quality and types of services needed, unstable and unpredictable, inefficient, and too selective to allow Indian authorities to pursue their priorities. The indirect fiscal relationship, found in federal-provincial fiscal transfers, from which Indians are, presumably, to derive benefits through provincial programs, is an abrogation of the trusteeship of the Government of Canada, and a denigration of the authority intrinsic to Indian government. From an Indian perspective, current federal-provincial fiscal arrangements, partly because they involve the transfer of unconditional funds, do not permit adequate accountability to their Trustee for the delivery of health and social services, and for the



provision of higher education to Indians. Furthermore, the attempt to close the fiscal gap between provinces by equalization payments does virtually nothing to close the much wider fiscal gap which exists between Indian communities and the non-Indian public economy.

Three recommendations are submitted to the Parliamentary Task Force for consideration. The first recommendation is twofold:

- (a) to remove the "Indian factor" -- Indian population statistics, Indian economic factors, or factors pertaining to Indian participation in the use of a service, e.g., the Canada Assistance Plan, from any future fiscal arrangements between Canada and the provinces; and
- (b) to allocate that share of future fiscal transfers to the provinces which is needed by Indians directly to Indians.

The second recommendation is to amend, significantly, the fiscal relations between Canada and Indian governments. The proposal is to create a revenue pool, initially by an appropriation from the Government of Canada, and by rolling in the needed share for Indian people of equalization, established

programs, the Canada Assistance Plan, and other Indian programs, and ultimately by a statutory indexing of Canada's resources and of the revenues collected by the Government of Canada (so that the pool will be automatically self-sustaining over time), which will be controlled and managed by Indians to support Band governmental and regional (perhaps, national) Indian institutions. For purposes of this submission, this concept is referred to as the Canada-Saskatchewan Indian Resources Fund (C.S.I.R.F.).

The C.S.I.R.F. concept has much to recommend it. It would implement the principles of resource-sharing, i.e., economic rent on resources, and of revenue-sharing. The fund would be responsive to economic growth, inflationary pressures, and growth in government; it would be revenue-productive and predictable. C.S.I.R.F. could be fully implemented in a three-year period. The Federation of Saskatchewan Indians also recommends that work towards developing C.S.I.R.F. should be begun immediately.

A third recommendation which the Federation proposes to the Parliament of Canada is to establish a Parliamentary task force to examine the principles and concepts which should govern Canada-Indian fiscal relationships. Leaders of Indian governments, Indian organizations and institutions, and Indian interest groups should be involved with such a task force in working towards a set of basic reforms on how Indians are financed.



## 2.0 THE BASIS FOR A CANADA-INDIAN FISCAL RELATIONSHIP

Political and cultural rights remain mere abstractions unless the people concerned have economic self-sufficiency. The Indian right to self-determination was taken for granted by our forefathers when they negotiated the treaties with the Crown in right of Canada. Much of the negotiators attention was focussed on arrangements by which they attempted to secure the economic future of their people. That economic future was not secured largely because the public authorities in Canada have not fulfilled the terms of the Treaties.

### 2.1 Historical Background

Indian people were the key to political and economic development of the Canadian nation. Access to the land and resources, renewable and non-renewable, is the primary source of all the wealth received by the government for disbursements in various programs and services. Canada would not have had access to such resources without Indian contribution. Harold A. Innis, the noted historian on the fur trade has stated,

"We have not yet realized that the Indian and his culture were fundamental to the growth of Canadian institutions."

In the West, for example, an adventurer, named John George "Kootenai" Brown is given credit for the discovery of oil in 1874, however, he in turn states that the Stony Indians led him to his

petroleum findings in the Pincher Creek area of Alberta. The Cree Indians were well acquainted with the tar sands and had used the oil for caulking their canoes. There is hardly a seepage, oil spring or tar sand that was not known to some tribe or nation of Indians which they put to some essential use. They in turn advised the early explorers of the location of the resources.

The contribution made by Indians in the private and public sectors' access to land and resources are manifold. The assistance included the saving of lives, as was the case of Jacques Cartier's men who were cured of scurvy by Indian medicines. Traders and explorers' lives were saved many times by the food and clothing provisions offered to them by Indians. They were taught Indian techniques and provided with the modes of transportation such as the canoe, snowshoe and toboggan. Indian people provided their services as guides, explorers and as well served as diplomats to other Indian nations. Companionship, which included great risks to the lives of the Indian people, were provided the traders and explorers. There would be no profits and no foundation of existing Canadian institutions if the Indian people had not shared their human and natural resources.



The Indian ownership of lands and resources and the sharing of those lands and resources, however, is not fully recognized in Canadian history. Neither is it given the proper recognition in our laws today.

When John Cabot made a successful voyage to North America for the King of Great Britain, he forged the way for other expeditions and the eventual settlement of Europeans in North America. The principle of discovery gave title to the discoverer because,

"It is supposed to be a principle of universal law, that if an uninhabited country be discovered ... the country becomes the property of the discoverers."

It was assumed that because the Indians were not Christians, they were savages without property rights.

The Crown of Great Britain exercised its title to the land in 1670 by granting trading rights in the land drained by rivers running into the Hudson's Bay to the Hudson's Bay Company. The Company respected the property rights of the Indian people as long as it was in their interest to discourage white settlements so that the Indians could continue to trap for furs. Only when settlement was coming did they assert title greater than the Indian people. They allegedly controlled all of the land in the Western Plains and in 1870 by Order-in-Council the

Northwest Territories and Rupert's Land (the HBC lands) were admitted to Canada. Canada took over the responsibilities, lands, and powers over the entire area by an act of the Imperial parliament. The Company had been authorized to make treaties with Indians but no treaties over land had ever been made with Indians in the Saskatchewan area. The Order-in-Council of 1870, recognizes some interests of the Indian people in the land. The Company had never had any political or territorial powers over the Indians. Therefore, before the treaties, all of the Saskatchewan area continued to be retained by Indians. Even the Dominion of Canada at the time agreed that the Indians had full and complete title to their lands. They argued this point in respect of the Ojibway Tribe and Treaty No. 3 in the St. Catherine's Milling Case of 1889 wherein one of the judges summarized the federal government's submission as follows, "British and Canadian legislation was referred to, to show that such complete title had been uniformly recognised."

Yet the policy of fraudulently treating with the Indians was again practised, this time by the Dominion of Canada. In exchange for surrendering their Charter, the Company received one-twentieth of the land in the "fertile belt" -- including the minerals and surface rights plus 300,000 (pounds) and the right to retain all the posts. This transfer took place without Indian consent.



Because of the encroachment to their lands and resources and because of their objection to the transfer of the alleged HBC lands to the Dominion of Canada the Indians agitated for settlement by treaties. These treaties are the first arrangement involving Indian people directly where the legal aspects of Canada-Indian relations are outlined.

The colonial powers earlier recognized the sovereignty of Indian nations, by entering into treaties with our ancestors. In Canada and the United States their affirmation of Indian political status was first legally prescribed by the Royal Proclamation of 1763. This document is declaratory and confirmatory of aboriginal rights, as it recognizes Indian title to land as having its source in Indian ownership from time immemorial. The Royal Proclamation establishes a procedure -- the treaty making process -- for all future land and political negotiations and transactions between the Crown and Indian people but does not interfere with the internal affairs of Indian Nations.

## 2.2 The Treaties

Prior to the coming of the white man to the Americas, Indian nations recognized the sovereignty of one another by forming compacts, treaties, trade agreements, and military

alliances. The treaty making process between nations was an established pattern.

Indian people entered into a political arrangement with the Crown so that they could live as Indian people forever; that is, to retain their inherent powers. That guarantee was recognized by a commissioner during the treaty negotiations,

"What I have offered does not take away your way of life, you will have it then as you have it now, and what I offer is put on top of it."

The treaties that were signed by our forefathers confirmed the following principles and guaranteed the following rights in perpetuity:

- 1) The Indian nations retained sovereignty over their people, lands and resources, both on and off the reserves, subject to some shared jurisdiction with the appropriate government bodies on the lands known as unoccupied Crown lands . This is the foundation of Indian government.
- 2) By signing the treaties, the Indian nations created an ongoing relationship with the Crown in Indian social and economic development in exchange for lands surrendered.
- 3) The Indian nations established tax revenue sharing



between the Crown and the Indian nations.

4) The Indian nations established a political protocol for annual reviews of the progress of the treaties.

5) The Indians' interpretation of the treaties will supersede all other interpretations.

The written treaties do not correspond with the spirit and intent of the treaties as understood by Indian people. There is a disparity, a significant difference between the meaning of treaty as understood from a plain reading of the text of any of the treaties and what Indian persons say it means.

The Federation of Saskatchewan Indians, in its study, "Elders' Interpretation of Treaty 4 - A Report on the Treaty Interpretation Project", has identified these differences.

1. Land and Resources: The nature of the land/resource cession is an important topic for which the two sources, treaty text and Indian elders, provide vastly different interpretations. The élders indicate that it was a limited cession. The concept of a limited land cession belies the text of Treaty 4, which states that the Indian signatories "do hereby cede, release, surrender and yield up to the Government

of the Dominion of Canada, for Her Majesty the Queen, and Her successors forever, all their rights, titles and privileges whatsoever, to the lands included within the following limits".

The difference between the two interpretations of the land/resource cession is best described by reference to the elders' understanding of their rights with respect to wildlife, sub-surface rights, and the status of lands, including waters, not utilized for agriculture.

a) The subject of wildlife, while it has been conventionally phrased in terms of Indian hunting, fishing and trapping "rights," "right-of-access" or "right to use", is discussed here as an element or feature of the land cession because the elders state that the Indian people continue to own or have exclusive use of all wildlife. Specifically, the elders state that wildlife continues to belong to the Indian people as an element in the inventory of unceded resources. It is stated frequently that the Crown assumed a treaty obligation to protect wildlife populations for continuing Indian use.

b) Sub-surface and other non-agricultural resources - The elders indicate that the resources ceded under Treaty 4 were limited and restrictive as some land resources were



retained by the Indian people in the ceded lands. The Commissioner stated that the whitemen wanted land to farm only to the depth of a plow, stated most frequently as a depth of six inches. There is an implication that non-agricultural land -- mountain country, lakes, other lands unfit for farming -- were not requested and not ceded.

2. Indian Government: There is unanimity among the elders that Indian people retained the right to govern themselves. Elders state that whitemen have usurped this authority and that the Indian Act is purely a white instrument for the purpose of government Indians and usurping the treaties.
3. Crown Protection and Assistance: The elders state that the Indians were promised Crown protection and assistance to develop and prosper. This promise is described in general terms, with reference to a continuing and comprehensive Crown responsibility, and also in specific terms with respect to economic development assistance and assistance in the event of famine or privation.

The treaties have not fulfilled many of the terms because of the exclusion of oral conditions and outright breaches of some written terms such as the following limitations to Indian political and economic rights:

1. Indian Government: The treaties did not specifically promise that Indian people would retain their system of government as it was clearly understood by both sides that Indian people would continue their way of life. By inference, they would organize and control their affairs.
2. Surrenders: The treaties promised that the reserve lands guaranteed to the Indian people of Saskatchewan would never be "sold, leased or otherwise disposed of", without "the consent of the Indians entitled thereto first had and obtained", and then only if the sale, lease or other disposition was "for the use and benefit of the said Indians". Yet in the past one hundred years the Government of Canada, acting as trustee of the reserve lands for the Indian people of Saskatchewan, has sold or otherwise permanently disposed of the whole of, or major portions of, at least thirty-two Indian reserves in the province -- amounting to well over 420,000 acres. In at least four of these "surrenders", no consent of any kind was obtained from the Indians entitled to the land. In many other



cases, the consent that was given by the Indians was obtained by government officials by fraud, coercion, or misrepresentation -- tactics which completely annulled the validity of such consent. Furthermore, except for two or three cases of "surrenders" for an exchange of land more suitable to a band's need, none of these sales or alienations was for "the use and benefit" of the Indian people. Instead, there is clear evidence that much of this land was sold to the agents of highly placed civil servants, or friends of the government of the day, to enable these people to make large personal profits.

3. Land Entitlement: By the terms of the treaties made with Saskatchewan's Indian people, reserves of land "of sufficient area to allow one equare mile for each family of five, or in that portion for larger or smaller families" were guaranteed. (Treaty 5 was the one exception in that it promised only 160 acres for each family of five.) But in spite of this solemn promise, it is now known that the members of at least eighteen bands (and possibly as many as thirty-three) never received the amount of land to which they were entitled. It is true that the Canadian government is now making some effort to pay this long outstanding debt to the Indian people, but it is doing so with great reluctance.

4. Resource Rights: Indians would only share resource rights but legislation has been passed to restrict that right.

There are many other conditions that were not met but the most relevant to us are the ones affecting land, resources, and Indian government. Today, Canada has reserved less land for its Indian peoples than most countries. The following table highlights that fact:

AMOUNT OF LAND RESERVED FOR TRIBAL POPULATIONS  
IN VARIOUS COUNTRIES

	Native Populations as % of Total Population	Native Population as % of Total Area
Bechuanaland	99%+	38%
Swaziland	98%	48%
New Guinea	98%	97%
Southern Rhodesia	95%	33%
South-West Africa	87%	25%
South Africa	80%	12%
Canada	3%	0.2%
Chile	2%+	0.6%
United States	0.52%	3.96%



### 2.3 The Legal Status of Indian Lands and Resources

St. Catherine's Milling and Lumber Company v. The Queen, an 1889 Judicial Committee of the Privy Council decision, enunciates the principles governing the land and resource rights in Canada.

1. The title to land in Canada is vested in the Crown. The Crown title is described as a "legal estate", a "present proprietary estate", and as "a substantial and paramount estate, underlying the Indian title...".
2. Prior to treaty an Indian title exists in law. It is ascribed to the Royal Proclamation of 1763 and is described as a personal and usufructuray right, dependent upon the good will of the sovereign. It is referred to as "Indian title", as a "burden" on the title of the Crown and as an "interest" other than that of the Province. Legislative jurisdiction over the land is with the federal government by section 91(24) of the B.N.A. Act.
3. After treaty the Crown in the right of the Province has a beneficial interest in the land. That interest is also referred to as the "entire beneficial interest" and as a "right to its beneficial use". Legislative jurisdiction over the land is with the Province by sections 92(5) and 92(13) of the B.N.A. Act.

In the 1930 Natural Resources Transfer Agreement, Canada transferred to the prairie provinces all lands, mines, minerals and royalties. This was done in complete contradiction to what the Indians understood to be their treaty right as they retained rights to the lands and resources subject to the "topsoil" being shared for farming purposes.

The present case law as outlined in the Judgement Hamlet of Baker Lake, et al v. Minister of Indian Affairs and Northern Development, et al by the Federal Court of Canada on November 15, 1979, forces one to the unhappy conclusion that the courts in Canada will not protect existing aboriginal rights. Although a declaration confirming their existence may be granted, aboriginal rights may be diminished by competent legislation. Furthermore aboriginal rights are not recognized as property rights and thus are not "rights" offered protection by statutes such as the Territorial Lands Act.

Aboriginal rights, as confirmed by the treaties, include the right of self-determination so that Indian people can politically and economically control their human development, and ownership rights to traditional lands and resources. The Canadian courts refuse to protect those principles and hence it is Parliament's responsibility to do so.



Today, the treaty rights are limited and superseded by federal and provincial legislation. The Indian Act, a federal statute, outlines the government's duties towards Indian people. It is restrictive of Indian government.

#### 2.4 International Law and Indians

The laws which have evolved in Canada to assert the concept of discovery and the concurrent principle of limiting aboriginal rights, have their basis in racism and discrimination. In the 20th century, such principles cannot be the basis of law. It is necessary that the consent of those people affected must be a condition precedent before any of those law are valid. Even assuming that the treaties were not intended to have the effect understood by Indians, the emerging doctrine of inter-temporal law applies. The core of this doctrine is based in the fact that when the legal system by virtue of which rights have been validly created disappears, those rights can no longer be claimed. Therefore, the doctrine of discovery, an obsolete concept employed by a colonial power to justify mistreatment of the Indians is no longer applicable in light of the new legal principles of self-determination.

Indian people have continued to assert their political and moral right to their lands and resources. International law asserts that they have a right to survive as an identifiable

political, cultural, racial and economic unit of self determination. It is a paramount human right applicable to Indian people and is based on principles of equality and non-discrimination.

The Indians of Saskatchewan are a people entitled to three well-defined fundamental human rights under modern international law: the right to physical existence, the right to self-determination and the right to use their own natural resources.

The right of self-determination is a right of a people under colonial and alien domination to choose the path of its own destiny. It is a pre-emptory norm of international law which possesses political, economic, racial and cultural aspects. It is for the people to determine the destiny of the territory and not the territory the destiny of the people.

Colonial and alien domination exist when the collective will of a people cannot be exercised in their present state of being. Colonialism has come to be characterized as a crime under customary international law. The conquest and subjugation of a weaker people is no longer viewed as an act of courage in the international arena. The right to self determination implies the right of peoples to struggle by every means available to them, including both peaceful and forceful measures. States are therefore under a positive mandate to help people achieve their full development, whatever form of self-governance this may take.



People have the right to choose their own forms of government. This is perhaps the single most important element in the right to self-determination. The choice is not pre-determined and is wide-open, from a modest regime of local autonomy, through forms of federal association, to full-fledged separate international personality, ie. statehood and independence.

The economic aspect of the right of self-determination is the right to use one's natural resources. One people must not enrich itself while impoverishing and polluting the resources belonging to another. All peoples, whether they live in a non-self-governing territory or in an independent state, may exercise economic self-determination. Their right is neither dependent on political development nor is there any condition that one aspect be exercised before the other. The Indians of Saskatchewan need not change their political status before they seek to develop their natural resources. The right to permanent sovereignty over one's natural resources also involves the question of harmful activities carried on by a transnational or multinational corporations. The problem with these groups such as the Hudson's Bay Co. is that, for the most part, they bear no responsibility to any specific national or social body. Consequently, the Hudson's Bay Company, for instance, has obtained great wealth from Canada while damaging and depleting the Indians' resources and returning very little to the original owners.

The right of economic self-determination finds expression in what has been termed the new international economic order (NIEO), also known as the North-South dialogue. Although the underlying purpose of the new international economic order is to redress the economic imbalance between the developed and developing countries by creating more equitable international economic structures, Indian reserves have the characteristics of developing countries.

The fundamental human rights described above are available only to a community who meet the following conditions:

(a) it may formerly have constituted an independent nation with its own State or a more or less independent tribal organization; or

(b) it may formerly have been part of a nation living under its own State, which was later segregated from this jurisdiction and annexed to another State; or

(c) it may have been, or may still be, a regional or scattered group which, although bound to the pre-dominant group by certain feelings of solidarity, has not reached even a minimum degree of real assimilation with the predominant group.

On a subjective level, a group must perceive itself as a unit empowered to act as one. This self-perception as a cohesive group is both a right and an obligation. The people have the right to delineate the purview of its common existence and to prescribe criteria for group membership but it is also essential that the group will live together and perpetuate common traditions. The Indian people meet the objective test because they did not voluntarily submit to the new state's institutions but entered into political arrangements, the treaties, to guarantee their sovereignty to survive under their own institutions. Except for the French Canadians, all other Canadians fall outside this test because according to international law their status as immigrants indicates their voluntary assimilation to the new state's institutions.

Canada is bound by the principle of human rights to respect and allow the full development of Indian people.

## 2.5 The Federal Government's Responsibility to Indians

Indian people entered into a trust relationship with the Crown in exchange for sharing their lands and resources. The federal government, on behalf of the Crown, is responsible for the administration of that trust relationship.



At the time of the treaties our forefathers knew they were prepaying for services in perpetuity because they provided Canada with the basis of her wealth. This access acquired by Canada to the lands and resources was to be shared with the original owners. Canadian is duty bound to hold the Indians' share in trust. The beneficiaries of that sacred trust are now seeking returns on their share of the wealth generated by the lands and resources. Some of the treaty lands and resources we are seeking returns from include economic rent for the following lands and resources we have shared:

- agricultural lands;
- hunting, fishing, trapping and gathering grounds;
- non-renewable resources including -- oil, gas, potash, and uranium
- air and water rights

The federal government is duty bound to return some of the rent by entering into unconditional fiscal arrangements with our Indian governments.

### 3.0 CANADA-INDIAN FISCAL RELATIONSHIPS:

#### A CRITIQUE

The current fiscal relationship between Canada and Indian people violates three sets of principles:

- (a) It violates the Treaties, in that Treaty obligations for various services are not met or are underfinanced and not met adequately, and that Indian governments are subjected to severe external regulation and externally determined expenditure priorities.
- (b) It violates the trusteeship and constitutional responsibility which Canada has for Indians in that fiscal arrangements with the provinces have transferred a responsibility, however undefined, for Indians to provincial jurisdiction.
- (c) It violates even the fundamental principles of public finance and public administration in that it results in overly complex program arrangements, unstable and unpredictable fiscal flows, inefficiency, and a lack of accountability, not by Indian governments and organizations, but by the Government of Canada itself.

These matters will be explained in dealing with both the direct Canada-Indian fiscal relationship, as represented by governments and constitutions, and the indirect fiscal relationship, inherent in federal-provincial fiscal arrangements.

### 3.1 The Direct Fiscal Relationship

Contributions to Indian governments and Indian organizations are made by Canada through a plethora of programs, each involving its own terms and conditions, regulations and accounting methods. Saskatchewan Indians receive funding from some thirty federal and provincial departments, using about seventy program instruments. Each Band, whether it have 50 or 2,000 members, must cope with this overburden of programming.

Each program has its own procedures, regulations and steps which must be followed. To ensure conformity, Band governments and Indian organizations must develop more bureaucracy than should be necessary; chiefs and councils become money-raisers and they spend most of their time dealing with the requirements of government bureaucracy rather than with the needs of their people.

Furthermore, most programs for Indian people are under-financed. As a result, the services to Indians are not



commensurate in level, quality and standards afforded by government to non-Indians. Indian housing is a prime example, social services another.

Even where funding may be adequate, and where it is not, the flow of funds is unstable and unpredictable -- not at the micro-level but at the local level. The Government of Canada cannot deal with the realities faced by local communities. This is evident not only in its dealings with Indians; it is just as evident in its dealings with communities in the National Parks and in Canadian Armed Forces Bases.

Lastly, the current fiscal relationship between Canada and Indian people is inefficient. Funds are not paid out in time, often requiring a Band or an Indian organization to incur a loan. It cost over \$13 M in interest last year to borrow on financial commitments made by government agencies to Indians because payments were delayed by bureaucratic processes, even after formal approvals had been received.

In short, contributions and program arrangements are inefficient, unstable, inadequate, over-regulated and too complex. Despite this state of affairs Indians have been diligent in providing the proper accounting for funds which they have received, the Auditor-General's report of last year notwithstanding.

### 3.2 Indians and Federal-Provincial Fiscal Arrangements

Indian leaders within Saskatchewan and from across Canada are anxiously concerned about intergovernmental fiscal transfers and the implications which current federal-provincial fiscal arrangements have for Indian people on the one hand, and for Indian governments on the other.

In each of these federal-provincial fiscal transfers there is a significant "Indian factor" both in how the amounts of funds to be transferred are calculated, i.e., the formulas, and the general interest of how the transferred are to be expended by the provinces for the benefit of Indian people. The "Indian factor" is not explicit in the Fiscal Arrangements Act, 1977; it is included, however, in the formulas and it is implicit in the objectives or rationale for the fiscal transfers.

The Indian factor appears in the formulas used in calculating the transfers in the following ways.

(a) Indians are part of the population statistics used in calculating equalization payments and established program funding;

(b) Indians' level of economic development is an intrinsic part -- smaller in some provinces than others -- of ways

used to determine the fiscal gap which equalization payments are intended to bridge; and

(c) Indians' rate and level of participation in social services are reflected in the way CAP transfers are calculated.

At this point in time, it is not known how removal of the "Indian factor" would affect fiscal transfers to the provinces -- probably to a minor extent only; given the nature of the formulas and associated arrangements now in the Act.

It is when an examination is made of the rationale for the federal-provincial transfers that their perversity, from an Indian perspective, becomes evident. First, the main reason for equalization payments is to bridge the fiscal gap between the provinces. As Indians, we have no objection to this goal of Canadian federalism. However, you should be aware that Indians and their communities derive very few, if any, benefits from fiscal transfers for equalization purposes. At best, such benefits are miniscule and indirect; at worst, they are non-existent. Provincial authorities in this country are loathe to allow benefits from their treasurers to filter to Indian communities and Indian families. Efforts at equalization have done virtually nothing to the enormous fiscal gap which exists between Indian communities and their territories, and the provincial contexts in which they find themselves.



A second rationale given for fiscal transfers to provinces, in a federalist nation, is to pay for various externalities associated with migration. In the matter of Indian migration off-reserve, the matter of externalities and spill-over effects is particularly critical, given the constitutional responsibility assigned to the Government of Canada, for "Indians and lands reserved to Indians". Fiscal transfers from Canada to its provinces are intended to defray the costs incurred to provincial and municipal authorities when Indians move off-reserve.

Indians are highly critical of any fiscal transfers to provinces which are based on this rationale. First, for the Government of Canada to enter an agreement to pay for the spill-over effects of Indian off-reserve migration without the participation and consent of Indian people is an arrogant violation of Canada's trust responsibility to Indian people.

Secondly, the fiscal transfers which are involved here are unconditional. Funds flow into the provincial treasury without strings attached, and provincial decision-makers pursue their own expenditure preferences. Given their reluctance to support Indian programs or to provide services to Indian people at a level and quality commensurate to those provided non-Indian provincial residents, the spill-over

effects of Indian migration are not paid for or not adequately paid for by the public sector.

There is a further implication of current federal-provincial fiscal arrangements which is of great concern to Indian people. Given the unconditional nature of the fiscal transfer, there is no way of holding provincial governments accountable, and given the fact that Canada is, in these arrangements, transferring some of its responsibility for Indians to provincial governments, Indian people cannot hold its trustee -- Canada -- accountable either.

Lastly, current federal-provincial fiscal arrangements denigrate the role and responsibilities of Indian governments. In the current arrangements, it is assumed either that Indian governments should not or are not capable to negotiate the arrangements to pay for the costs of externalities caused by the off-reserve migration of their members. We accept neither of these assumptions. It is the Indian governments in Canada which should and wish to take responsibility for dealing with provincial governments on the matter of spill-over effects. That Indian governments are capable of undertaking this responsibility goes without saying.

On the basis of these consideration, it is concluded that:

(a) the "Indian factor" should be removed from any future fiscal arrangements between Canada and the provinces; and

(b) the share of fiscal transfers to the provinces needed by Indians be subtracted from any future financial allocations by Canada to the provinces and the proceeds be contributed directly to Indian people.

The position taken in this recommendation is also the position of the Provinces of Saskatchewan and Alberta.



#### 4.0 THE CANADA-SASKATCHEWAN INDIAN RESOURCES FUND: A PROPOSAL

The second recommendation reflects the historic relationship of Indian nations to the Crown and the Government of Canada. It retains the role of Canada as Trustee for Indian peoples and as executor of the Treaties while respecting the essential nature of Indian government. It introduced the principles of resources-sharing and revenue-sharing; it adheres to sound principles of public finance, and, if adopted, would result in a considerable reduction in the current overburden of public administration and bureaucracy which rests on the backs of Indian governments and their members.

##### 4.1 The Concept

The concept is relatively simple. It is to create a Canada-Saskatchewan Indian Resources Fund, a pool of revenues to be created by statutory formula governing the Indian sharing with Canada of revenues and resources, which would be controlled, managed, administered and distributed on the basis of policies established by the Chiefs of Saskatchewan.

First, with the nature of the revenue pool, its initial creation, its ultimate bases, and some of its characteristics will be outlined. Secondly, the management of the fund will be described, and lastly, a strategy for its implementation over a three year period will be proposed.

The revenue pool for the fund should be created initially by rolling in (a) the share needed by Saskatchewan Indians of the equalization, EPF, and CAP payments currently made to the provinces by the Government of Canada, and (b) the funds currently expended on Saskatchewan Indians from a plethora of programs administered by a variety of federal departments and crown agencies, e.g. Secretary of State, Canada Employment, Regional Economic Expansion, Canada Mortgage and Housing Corporation, Health and Welfare, Indian Affairs and others.

A second stage in the development of the Fund would involve indexing Saskatchewan's resources which are grown, gathered, harvested, extracted, hunted, fished, developed and enjoyed, and indexing revenues collected by Canada's several governments. The indexed value of resources which are developed in a given year would be paid into the fund. Similarly, the revenue-sharing formula should also have statutory status, and its proceeds flow automatically into the pool for the C.S.I.R.F. The index or series of indices would need to be established by statute.

It is not possible to be precise, now, about the sorts of formulas and indices which should be used. The C.S.I.R.F.

should be designed to meet at least the following criteria, however:

1. It should be generally responsive to the state of Canada's economy at any given period of time. Indians want no more than to enjoy the good times and to suffer the bad, along with other Canadians.
2. C.S.I.R.F. should be responsive to inflationary pressures in the economy, for obvious reasons.
3. C.S.I.R.F. should be responsive to the growth in Canadian governments. If the level and quality of government services is improved, C.S.I.R.F. should also increase to permit Indians commensurate levels, quality and types of services afforded by Canadian governments to non-Indians.
4. The revenues for the fund should be sufficiently stable to be predictable, on the mid-term at least.
5. The revenue sources should be productive, i.e. they should grow to meet the criteria above.

These criteria should govern the attempt to arrive at formulae for implementing the principles of resources- and revenue-sharing.



If these principles and criteria can be agreed upon, an additional matter will need to be negotiated, namely, the initial size of the revenue pool. If all the existing provincial and federal expenditures on Saskatchewan Indians were rolled into the pool this year, and the needed shares for Indians from intergovernmental fiscal transfers were added to it, the revenue pool would amount to about \$180 M. This figure is highly speculative; but it provides a ball park estimate of current expenditures.

However, Saskatchewan Indians would not be satisfied with an initial revenue pool equivalent to what is expended on Indian services now. Rather, at least three criteria should be met in establishing the initial size of the revenue pool:

1. It should be sufficient to meet all obligations which the Crown and its governments in what is now Canada have incurred to the Saskatchewan Indian nations.
2. It should be of sufficient size to allow for the delivery of services to Indians by Indian authorities in Saskatchewan at a level, equality and standard commensurate with those provided to non-Indian citizens of Saskatchewan by their governments.

3. The size of the revenue pool should reflect a fair share of the value of Canada's resources developed in any given period of time -- fair, that is, in terms of the historical realities reviewed above.

4. The revenue pool should be large enough to accommodate a long-term catch-up phase for Indian socio-economic and governmental development in Saskatchewan.

Obviously, determining the initial size of the revenue pool for the C.S.I.R.F., upon which the resource- and revenue-sharing formulas will be based, will require a huge research, consultation and negotiation effort during the next year.

#### 4.2 Management of C.S.I.R.F.

The Canada-Saskatchewan Indian Resources Fund is conceived as being under the complete control of Indian people, more precisely, the Chiefs of Saskatchewan. They would establish the policies governing the Fund; they would elect the Board of Trustees to oversee the operations of the Fund; they would, if deemed necessary, table in the Parliament of Canada, an annual report accounting for the Fund.

It is envisaged that the proceeds of the Fund would be distributed and expended as follows:

1. The majority of fund proceeds would be distributed to Band governments directly and unconditionally, on the basis of a formula which could take into account such factors as population, and various need and cost factors.
2. Another portion of the Fund would be used to support regional and sub-regional Indian institutions - institutions of higher education, district chiefs' operations, sub-regional Indian economic organizations, regional Indian governments such as the Federation of Saskatchewan Indians, and urban Indian service delivery organizations.
3. A portion of the Fund would be set aside for emergency situations and contingencies, and, during times that Fund is highly revenue productive, for the "rainy days" when the Fund is not sufficiently productive.
4. Some part of the Fund would be used to negotiate the costs of spill-over effects resulting from off-reserve migration.



This is simply one conception of how the Fund could be administered; the final determination of the distribution policies for the fund should be made by the Assembly of Saskatchewan Chiefs.

The management of the Fund would be based on three principles: (a) administrative simplicity, removing Bands and other Indian authorities and institutions from the current overburden from Treasury Board and program regulations; (b) the freedom of Indian governments to determine their own priorities and expenditure preferences; and (c) the accountability to Indian constituencies and authorities of those who spend the proceeds of the fund.

The creation of C.S.I.R.F. should not, however, in any way, prohibit Indian governments and organizations from seeking and receiving funds from federal and provincial sources. Indian Bands or groups of Bands should be able to participate in regional economic development efforts undertaken by Canada and the provinces, for example.

#### 4.3 Development of the C.S.I.R.F.: Three Phases of Implementation

I would propose that from now until the Fund, as described above, is fully operational will require an implementation and adjustment period of three years, as follows:

### Phase I. 1982 - 83

Create the C.S.I.R.F. from the funds from equalization, Established programs, Canada Assistance Plan, existing Indian programs, and a special parliamentary appropriation.

### Phase II. 1983 - 84

After a determination has been made as to the size of the initial pool, introduce the principles of resources- and revenue-sharing, so that the Fund will be self-sustaining.

### Phase III. 1984 - 85

Evaluate the operation of the Fund and make the necessary adjustments.

There is a considerable magnitude of change which is suggested here; the implications of these proposals are far-reaching.

#### 4.4 Some Implications of C.S.I.R.F.

C.S.I.R.F. has many and far-reaching implications. First, and most important, it would go far towards releasing Indian people from the enormous burden of colonial rule as represented by many aspects of the Indian Act, Indian Affairs procedures and attitudes, Treasury Board regulations, and, more

recently, the high-handed approach of the Ministry of State for Social Development (the Social Affairs Envelop). Instead of spending 75% of their time on worrying about and trying to meet externally imposed regulations, procedures and service priorities, and only 25% for dealing with the needs of their people and communities, Band governments would be free to pursue their own priorities, within the bounds of their allocations and self-generated revenues. C.S.I.R.F. would represent a great step forward in the realization of the full potential of Indian government.

Secondly, C.S.I.R.F. would remove Indian finance from the appropriations processes of the Government of Canada. Indians would no longer be subject to the vicissitudes, bureaucratic complications and external political forces which come into play in this process. And, the governmental machinery would have its work simplified and parliament its pressure reduced on matters pertaining to Indian programming and finance.

A third implication is the fact that C.S.I.R.F. would contribute to the reduction of federal bureaucracy. In saying this, however, I am not suggesting that the Department of Indian Affairs would be abolished -- far from it. Canada must continue to be the Trustee for Indians. Further, an indeterminate number of Bands would undoubtedly continue to use the



service delivery systems of D.I.A.N.D. on a fee-for-services or some other basis. There would be, nonetheless, a reduction in the administrative cost to the Government of Canada -- savings which we insist should be directed to C.S.I.R.F.

The creation of C.S.I.R.F., especially if it were extended to all Indians in Canada, would assist your government to move back to the single-agency concept for which we have struggled consistently over the years for certain functions while at the same time, all agencies of the Crown would continue to have the trust responsibility for Indian people.

Lastly, it is clear that a new fiscal relationship between Indian people and the Government of Canada will require much research at the technical level, and discussion and debate at the political level. Legislation will be necessary to incorporate and realize historically sound principles derived from Indian rights, Indian Treaties, the nature of the Canadian Confederation, and the field of public finance. To work on these matters, the Federation of Saskatchewan Indians concludes this submission with a third recommendation:

That the Parliament of Canada establish a Task Force to examine the Canada-Indian fiscal relationships with a view to recommending fundamental reforms consistent with historic obligations and current realities.

This recommendation should not be taken, in any way, as a detraction from those presented above.

## APPENDICES

- A. SASKATCHEWAN ALL-CHIEFS RESOLUTION ON FEDERAL-  
PROVINCIAL FISCAL ARRANGEMENTS
- B. SASKATCHEWAN ALL-CHIEFS RESOLUTION ON  
RESOURCE REVENUE SHARING
- C. RECOGNITION AND ENTRENCHMENT OF TREATY AND  
ABORIGINAL RIGHTS AND INDIAN GOVERNMENTS  
WITH THE CANADIAN FEDERATION
- D. A COMPREHENSIVE POLITICAL AND ECONOMIC DEVELOPMENT  
PLAN
- F. THE FIRST NATIONS: INDIAN GOVERNMENT AND THE  
CANADIAN FEDERATION

APPENDIX A

SASKATCHEWAN ALL-CHIEFS RESOLUTION  
ON  
FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS



## RESOLUTION #11

WHEREAS the Government of Saskatchewan and the Government of Canada have a number of Federal-Provincial funding arrangements; and,

WHEREAS a large amount of funding is provided by Canada to Saskatchewan for many services and programs; and,

WHEREAS the Treaty and Registered Indian population is included in calculating the formula which is used to determine the funding provided under the agreements; and,

WHEREAS the Indian population is denied the services, which are covered under these agreements because the Government of Canada is using the Federal-Provincial fiscal arrangements to try and transfer the delivery of many Treaty services to the Province; which is not acceptable to the Treaty and Registered Indians of Saskatchewan because it is breaking our Treaties;

BE IT RESOLVED that the Executive of the Federation of Saskatchewan Indians are authorized to insist on participation in a total review of existing and new Federal-Provincial funding negotiations with the objective of:

(1) directing that the funding transferred now to Saskatchewan which is meant for the Indian population be identified; and,

(2) developing a system by which Bands and all Treaty/Registered Indians can gain direct access to the funds in a way consistent with our special trust relationship with the Government of Canada.

APPENDIX B

SASKATCHEWAN ALL-CHIEFS RESOLUTION  
ON  
RESOURCE REVENUE SHARING

## RESOLUTION #3

RESOURCE REVENUE SHARING

WHEREAS, the Province of Saskatchewan realizes substantial revenue from the development of resources not surrendered by Treaty; and,

WHEREAS, by virtue of the nature of the BNA Act and the Natural Resources Transfer Agreement (1930), Saskatchewan has acquired certain jurisdictions which places certain obligations to our Treaties to the Povinces with regard to Resources; and,

WHEREAS, this revenue is used by Saskatchewan for a variety of services for all the citizens of the Province; and

WHEREAS, there is no means at present established whereby any portion of this wealth can be accessed by Treaty Indian Bands or Treaty and Registered Indians,

BE IT RESOLVED that the Executive of the Federation of Saskatchewan Indians be directed to negotiate with the Government of Saskatchewan a process by which funds realized by Saskatchewan from such resource development will be directed for use by Bands for development.



## RESOURCE REVENUE SHARING

- a) The experience of the bands over the years has been to see our jurisdiction over resources usurped.
- b) Bands must maintain control over resources which were not surrendered by Treaty-- land, water, minerals, timber, wildlife, fisheries -- and participate in all decisions as to their exploitation.
- c) Specific areas of exclusive Indian ownership and jurisdiction, provincial ownership and jurisdiction and Joint, Indian-Provincial ownership and jurisdiction will have to be determined.
- d) The Indian share of provincial resource revenue will have to be determined.
- e) It is necessary for the Federal Government to recognize that it has never legally acquired many resources from the Indians and could not, therefore, have legally transferred these resources to the province.
- f) There must be clear establishment of areas of exclusive Indian ownership of and jurisdiction over renewable and non-renewable resources; areas of joint Indian/Provincial ownership and jurisdiction and areas of exclusive Provincial ownership and jurisdiction.
- g) There must be recognition that, under the Treaties, Indians retained property rights over lands and resources, but agreed to share these with the Crown.
- h) There must be recognition of the need to:
  - a) achieve the maximum possible degree of economic independence for Indian Bands in Saskatchewan;

- b) enhance direct Indian Band participation in the private sector;
- c) develop a comprehensive flexible Indian economic policy;
- d) enhance comprehensive Indian participation in the present and prospective economic development of Saskatchewan.
- i) Assembly of the land base essential to meaningful Indian economic development. Indians must hold land in Saskatchewan proportionate to their population, i.e., in 1979, approximately 8.5 million acres. At least an additional 8.5 million acres should be designated for Joint Indian/Provincial ownership and management.
- j) Recognition that the quality of water reserved, under the Treaties, by Indians was that amount necessary to satisfy the future as well as present needs of Indian bands and reserves.
- k) Recognition that the federal government has never legally acquired mineral resources from Indians and had no jurisdiction to transfer such resources to the province.
- l) Control over Indian timber resources must rest in Indian hands.
- m) Recognition that, in order to exercise their treaty rights to hunting, fishing, trapping and gathering, Indians must have clear ownership of and jurisdiction over sufficient of these resources to make the exercise of such rights meaningful.
- n) Action - A standing F.S.I. - Province of Saskatchewan Committee be struck to completely investigate resource revenue sharing to include:
  - 1) Treaty/Jurisdictional area
  - 2) Scope
  - 3) Sharing Formulas

APPENDIX C

RECOGNITION AND ENTRENCHMENT OF TREATY  
AND ABORIGINAL RIGHTS  
AND INDIAN GOVERNMENTS  
WITH THE CANADIAN FEDERATION





Recognition and Entrenchment  
of Treaty and Aboriginal Rights  
and Indian Government  
within the  
Canadian Confederation

THE FEDERATION OF SASKATCHEWAN INDIANS  
DECEMBER 1980

### Preamble

As the original people of this land, our feelings towards treaty and aboriginal rights differ considerably from those of non-Indians in Canada. To us they represent sacred covenants by which our forefathers agreed, albeit under duress, to permit Europeans merely to co-habit with us on this land. However, the European settlers have consistently acted through their institutions to debase these original understandings. Not being content just to question the extent of our rights, they now frequently engage in astounding debate to actually call into question the very existence of these rights.

This relentless process of attrition of our rights has been effected through the pervasive powers of the Canadian state. Legislators have treated us as objects in a tutelary and paternalistic fashion pursuant to, "The Doctrine of Discovery" while ignoring and often overriding the most sacred undertakings. As the same time, the judicial arm of government has also consistently used alien concepts to further distort and eviscerate our heritage. Whereas our fore-fathers reposed treaty trust in the Crown, the servants of the Crown, the Executive, have marvellously arrogated to themselves the capacity to continue the divestiture of our rights by the implementation of policies heavily biased towards non-Indian interests.

We do not seek to renegotiate the treaties. We do however, seek entrenchment of our aboriginal and treaty rights in the constitution, not by the Canadian Parliament, but by the Parliament of Great Britain.

In recent months there has been considerable debate among the Indian nations in relation to the specific mechanism to achieve this goal. The result has been the enunciation of a set of principles by the First Nations Constitutional Conference held in April of 1980, and which was ratified by the 11th Annual National Indian Brotherhood General Assembly in August of 1980. The principles declared:

1. We are nations. We have always been nations.
2. As nations, we have inherent rights which have never been given up.
3. We have the right to our own forms of governments.
4. We have the right to determine our own citizens.
5. We have the right to self-determination.
6. We, through our governments, shall have full control of our land. "Land" includes water, air, minerals, timber and wildlife.
7. We wish to remain within Canada, but within a revised Constitutional framework.
8. The negotiations to revise the Canadian Constitution shall have full and equal Indian involvement at all levels and stages of negotiations.
9. The rights of Indian Nations as nations must be entrenched and protected in the Canadian Constitution.
10. In the treaties, our nations place themselves under the protection of the Crown. In establishing this protectorate relationship, they share some of the powers and they did not give up or surrender their sovereignty.
11. Our treaty rights must be entrenched and protected in the Canadian Constitution.
12. We seek to end our economic dependence on others. To do this, we need enough land and resources to provide an economic base for the present and the future.



13. Our governments have the right to share in all the revenues from this land and its resources. A sound financial base is required for the full operation of any government.

14. Neither the Federal Government of Canada nor any provincial government shall unilaterally affect the rights of our nations of our citizens.

The Federation of Saskatchewan Indians, on the 27th day of November, 1980, affirmed these principles through the following declaration:

As an Indian sovereign nation having the powers to make a binding treaty with the Crown of England, Her heirs and successors, we herewith declare that the aboriginal rights, the rights to trust in accordance to treaty, the rights to protection in accordance to treaty, the rights to self-government, the treaty rights of all Indians under treaty, be formally recognized and entrenched between the Indian nation and Great Britain, the Imperial Crown, and that any constitutional amendment, now or in the future, be in accord with the intent of this declaration.

We, the First Nations, accordingly, do hereby proclaim our dedication and commitment to the recognition of our unique history and destiny within Canada by entrenching our treaty and aboriginal rights within the present or renewed constitution. Only in this way can we truly fulfill the sacred obligations handed down to us by our forefathers for future generations. Anything less would result in the betrayal of our heritage and destiny.

## ENTRENCHMENT OF TREATY AND ABORIGINAL RIGHTS

### *Section 93A*

"Notwithstanding any provision in the Canada Act or in the Constitution Act or in any other Act, and being cognizant that the solemn undertakings made to Canada's Aboriginal Peoples in the Royal Proclamation of 1763 and in prior and subsequent treaties, between such peoples and the Crown are inviolable, it is hereby declared that no law of any Province, and no law of the Parliament of Canada, heretofore or hereafter enacted, shall be interpreted so as to abridge, abrogate, repeal, or extinguish any provisions of a treaty; or any commitments made in the course of negotiations resulting in a treaty; or any commitments made in the course of negotiations resulting in a treaty; or any treaty or aboriginal rights and, without limiting the generality of the foregoing, more specifically, those treaty or aboriginal rights relating to land, government or culture."

## LEGISLATIVE POWERS

### *Section 93B*

Notwithstanding anything in this Act (including any other non abstante clause), the Indian Government legislature may make laws applying on or off reserves in relation to:

1. Indian Government constitutions and the amendments thereof, and amendment will be passed on the recommendation of a majority of the Indian legislature ratified by a three-fifth majority of the regional Indian Governments,
2. Band membership, status and citizenship and the incidents of residence on Indian lands,
3. Education, culture and language,
4. Elections,
5. Family law including marriage, divorce, custody, maintenance and adoption,

6. Taxation, both direct and indirect,
7. Hunting, fishing, trapping and gathering,
8. Trade and commerce in relation to Indians and Indian lands, and related Indian matters,
9. The incorporation of companies and labour,
10. Criminal law and procedure,
11. The administration of justice and establishment of Indian courts,
12. The appointment of Indian judges including those with superior court status.
13. Property and civil rights of Indians,
14. Any other matters affecting Indians and Indian lands,

Except as otherwise provided by the Indian Government legislature, all laws in force in Canada and the respective provinces shall continue to apply, insofar as they relate to matters within the jurisdiction of the Indian Government legislature, subject nevertheless to be repealed, abolished or altered by the said legislature pursuant to the authority conferred upon it.



## INDIAN RIGHTS PROTECTION OFFICE

### *Section 94*

"The Indian Rights Protection Office has the powers of a superior court to finally determine all matters within the exclusive legislative jurisdiction of Indian Government."

## EXECUTIVE

### *Section 95*

1. Indian Government will be conducted on the basis of tribal decision-making, with the First Nations' Assembly acting to advance general Treaty and Aboriginal interest, with the Tribal, District and Provincial Chiefs' Councils acting within the ambit of their respective territorial authorities.

2. The Indian Government legislature shall consist of the First Nations Assembly, with the Queen as head of state and as Protector of Indian rights and treaties.

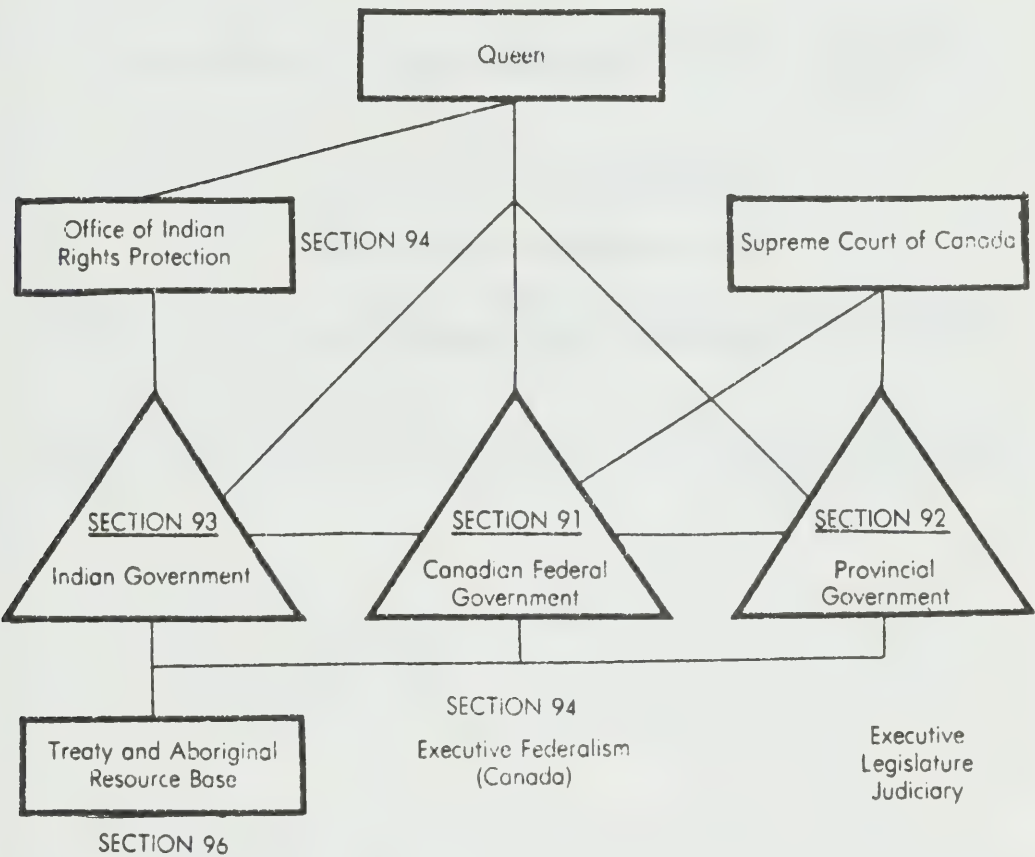
3. Ececutive federalism shall be promoted by consultation between the Queen in the right of the Indian Government legislature, the Queen in the right of Canada and the Queen in the right of the Provinces.

4. Residual power over Indian matters remains vested in the Queen in the right of the Parliament of the United Kingdom.

### *Section 96*

It is hereby acknowledged and affirmed that Natural resources reserved under Treaty and Aboriginal rights continue to be vested in Indian people, and they shall not be deprived thereof except expressly and with compensation payable therefore as decided by the Indian Rights Protection Office.

INDIAN CONSTITUTIONAL POSITION WITHIN CONFEDERATION



APPENDIX D

A COMPREHENSIVE POLITICAL  
AND  
ECONOMIC DEVELOPMENT PLAN



A COMPREHENSIVE POLITICAL AND ECONOMIC DEVELOPMENT PLAN  
for  
THE INDIANS OF SASKATCHEWAN  
including  
AN ANALYSIS OF THE TECHNICAL IMPLICATIONS OF INDIAN GOVERNMENT  
with  
A CRITICAL-PATH ANALYSIS WITH TARGET DATES FOR IMPLEMENTATION

### 1970-1980 - Ten Years of Nation-Building

In the last ten years, the Indians of Saskatchewan have done much to restore and develop the structures and processes of Indian Government.

1. Rigorous and systematic research, litigation and negotiation on land claims and entitlements has already begun to restore the integrity of the Treaty areas.
2. The establishment and refinement of a comprehensive Indian cultural, education and technical training system has begun to produce a stream of Indian artisans, technicians and professionals with the skills and disciplines necessary to revitalize the Indian Nations of Saskatchewan.
3. New district and regional Indian Government Centres provide the Chiefs with logistical support for the creation of policy and for the administration of a range of Indian Government programs.
4. The establishment of development corporations and resource management programs has provided a stimulus and a frame of reference for economic development.
5. A determined and informed dialogue with the Federal Government and the Provincial Government has laid the foundation for a productive Indian-Canada process to deal with Treaty and Aboriginal rights, resource development, revenue sharing and the progressive takeover by the Indians of Saskatchewan of the monies appropriated for them by Parliament.

### 1981-1990 - The Drive to Self-Sufficiency

In order to win even nominal acceptance of the principle of Indian Government from the Federal and Provincial Governments our people have been required to labour hard to break new ground throughout the 1970's. Inevitably, our internal debates and our external negotiations have had to stress the conceptual FORM of Indian Government.

The 1980's will put flesh and blood on the bones of Indian Government by adding SUBSTANCE to FORM.

If history has taught anything, it is that the erosion of Indian rights, the weakening of Indian political structures, the social and psychological distress of Indians, the fading of Indian cultural identity and pride is directly related to the degree to which Indians have lost their lands and with them their traditional modes of production. Dependency on the white man's economy for the basic needs of food, shelter, and clothing translates into cultural and political dependency.

It is a contradiction in terms to suppose that the self-sufficiency of Indians can be restored by those in the white man's political and economic structures who are largely responsible for the loss of Indian self-sufficiency. We now know that the economic development policy and programs of both Federal and Provincial Governments as they relate to Indians, have all too often been the expression of deeply-rooted assimilationist attitudes and the instrument of termination policies.

For those governments, "economic development" is reducible to "employment" and "employment" requires that Indians receive a white man's education and training, live in white man's townships and cities and lead a white man's way of life. The logical consequence of these policies is that Indian communities will lose their working populations and their families and will no longer be viable.

It is the contention of the Indian Governments of Saskatchewan that Indian self-sufficiency is the responsibility of Indians. The Indian concept of economic development begins with control of the land and the other basic means of production, and extends to ownership of economic projects and enterprises in the white man's economy, beyond the boundaries of Indian lands. Within this dynamic framework of control and ownership the Indian concept of economic development accommodates the possibilities of technology and the need for productive occupations, first for communities, secondly for families, and thirdly for individuals. Whereas the white policy speaks to "employment", Indian policy speaks to "occupation". Whereas the white policy speaks to the primacy of individuals, the Indian policy speaks to the primacy of communities and families.

### Traditional Indian Productivity

The traditional Indian way of life was supported by a productive Indian economy. The source of Indian productivity was the land, the waters, the wildlife, and Indian technologies and the skills and talents of the people.

The traditional Indian family was a self-reliant unit of production. All the family units linked together constituted a self-reliant system of production. This system of production was self-sufficient since time immemorial.

In the old days, economic surpluses and shortages gave rise to exchange within each community, between Indian communities and between Indian Nations. Economic exchange generated many of the social patterns and values we now recognise as being the essence of our Indian character and way of life. Indian economics were also intertwined with our traditional Indian political systems and are at the heart of our traditional spiritual preoccupations.



The matrix of Indian/white relations before the Treaties was Trade. The country which is now known as Canada was built on Indian-settler trade: namely, the exchange of renewable Indian resources for the settler's goods and technologies.

But fair trade between Indians and whites was undermined when the settlers used force and deception to seize our land - the one non-renewable resource which was essential to Indian self-sufficiency.

Although the treaties were more than real estate deals they did have strong economic implications for both the white settlers and the Indians. Among other things they were supposed to have protected Indian resources from the rapacious greed of the white settlers and to have guaranteed the development of our traditional Indian economies. It was the solemn conviction of the Indians who participated in the Treaties that in their agreeing to share the land and resources with the Crown, the Crown and its governments was agreeing to exchange education, training, technologies and revenues in sufficient amounts and according to an agreed protocol to ensure that Indians could continue to be self-sufficient and sustain their way of life. In this and in all other aspects of the Treaties, the Indian interpretation of substance and process was to have precedence over the Crown's.

In its role as protector and trustee under Treaty, the Crown through its Canadian governments, the Indian Agents of the recent past, and its more contemporary programs, has stifled Indian initiative and bled Indian economies of their resources and vitality. Worse still, it has given a competitive edge to the white trader.

Our traditional Indian economies have been turned upside down. Before, Indian families and communities were units and systems of production. Now they are units and systems of consumption dependent on a trickle of cash from government to buy the goods and services of the white man.

Monies appropriated from Indians by Parliament as part of its treaty obligations and as compensation for encroachment of our aboriginal rights, is spent not by Indians but by government program managers. The ultimate beneficiary is not the Indian economy, but the bureaucrats, the service contractors and the innumerable small businesses of the white man which cluster around Indian reserves. The budget of Indian Affairs is a subsidy for the white man's economy.

Indian economies have to be saved from their protector! Indian self-sufficiency can only arise from Indian control of Indian resources including all the monetary resources due to Indians under Treaty and appropriated for Indians by Parliament.

## Economics and Politics

In some federal government circles there are attempts to change the rules again. Alarmed at the effectiveness of our Indian government structures and processes there are renewed attempts to drive a wedge between Indian political institutions and Indian economic development. These attempts are the more insidious to the degree to which they purport to support the interest of individual bands against the interest of tribal groupings or provincial associations of bands. This is yet another strategem in a long history of "divide and rule" strategems to undermine the Indian political presence by weakening collective Indian economic strength and effectiveness.

Those in government who hold these views are among the first to argue that Indian bands acting alone are non-viable and that members of these bands should be encouraged to seek their fortune in the townships and cities. The recurring link between government economic policy and assimilationist strategies is obvious. The proposal that Indian economics must be pristinely pure of the taint of politics is implicitly contradictory. Indian economics without Indian politics is, itself, a constantly recurring political objective of Canadian governments.

It is also a gross expression of double standards. The Canadian federation is essentially a politico-economic arrangement as is seen in the debates on Canadian Economic Nationalism, the Balance of Trade Between Quebec and Ontario, Petro-Canada, Energy Policy, Oil Prices, Taxation, Wage and Price Controls, Regional Economic Expansion, Transfer Payments and the long series of topics which constitute the main preoccupation of Canadian political institutions and processes.

The United States of America was built on the Slave Trade, the forceful acquisition of Indian lands and trade with Europe, all of which had the backing of governments. The European Common Market is overtly and unambiguously an economic unity. OPEC is a resource based cartel which has had far-reaching political effects in the world community.

The adage "strength in unity" applies equally well to economics as to politics and because of it, the nature of economic unity must inevitably be political.

Because so many of our communities are small and isolated from each other and from the townships and cities, it is difficult for them to be economically self-sufficient. It is one of the functions of Indian government to make and facilitate arrangements and agreements between bands, and between bands and those Indians living off-reserve, which will encourage the consolidation and development of resources in a cost-effective manner.

No Indian community, and no Indian government can afford to work in isolation. Economic development is a serious and difficult undertaking. It required the concentrated effort of every heart, every pair of hands, every inch of land and every ounce of sweat.

### The Need for a Comprehensive Development Plan

Failing to plan is planning to fail. No hunter or trapper has ever succeeded without a plan. Before every trip he must check his strength and weaknesses, estimate rations, check his equipment, identify the tracks, calculate the direction of the wind and finally choose, from a number of possibilities, the best plan of action.

All too often, in matters pertaining to economic development, Indians are required to react to the plans of others. Even when Indians take the initiative in launching an economic project, they are required to submit it to the scrutiny of others and expected to react to the results of that scrutiny. Even when they receive funds, they must react to the regulations, and suffer from the unpredictability of payment schedules.

The time has come to stop reacting and to act. Indian resources now controlled by others must be handed over to Indian control. The plans of others must be required to fit Indian plans.

A Comprehensive Development Plan is needed now to bring together all the work that has been accomplished, to relate the functions of all Indian education, research, political, economic and cultural institutions to the common goals of the Indian Governments of Saskatchewan.



PART 1 - A COMPREHENSIVE POLITICAL AND ECONOMIC DEVELOPMENT PLAN(A) Review

The majority of Indian communities in Saskatchewan have already produced comprehensive socio-economic plans. In addition, there is extensive data available and ongoing work on land-claims and entitlements. The Federation of Saskatchewan Indians has produced numerous position papers on its constitutional, legislative, political, economic, social and cultural objectives. It would not be necessary to duplicate any of this work. But it would be necessary to bring it altogether within the context of an integrated Development Plan so that its interconnectedness is clear and its relationship to the objectives of Indian Government is made explicit.

Part 1 will include:

- (i) a review of the goals and objectives of Indian Government;
- (ii) a review of the functions of existing Indian Government institutions;
- (iii) a review of the plans of individual communities, district and regional councils, corporations and the other institutions and organisations of Indian Government;
- (iv) a review of the existing regional Data Base including:
  - land, wildlife, renewable and non-renewable resources;
  - infrastructure such as roads, sewerage systems, water and power supply, housing, public buildings;
  - communications such as the media, telecommunications, mail and courier services, public entertainment;
  - demography by age, sex, employment, occupation, income, location, mobility;
  - skills, education, professional qualifications;
  - economic activities by sector such as hunting, fishing, trapping, collecting, construction, light and heavy industry, heavy resource extraction and processing, cottage-industries, arts and crafts, tourism, real-estate, transportation by road, water and air and general service industries;

- social structures, organisation of families, social and cultural projects, voluntary associations and churches;
- (v) a review of Federal and Provincial programs and services;
- (vi) a review of the gross product of local and regional Indian economies;
- (vii) a review of existing monetary resources from the Federal and Provincial Governments, from investment, from employment, from the settlement of land-claims, from the settlement of claims for compensation, from leases and royalties, from generalised economic activities;
- (viii) Input/Output analysis of the flow of cash into and out of Indian communities and the overall Indian economy;
- (ix) a review of existing linkages between components of the Indian economy;
- (x) a review of existing linkages with local, regional, national and international non-Indian economic activities;
- (xi) a review and analysis of the non-Indian regional economy with a review of economic forecasts by governments, reputable research institutes and financial institutions.

(B) Projects

- (i) A preliminary identification of the specific projects most likely to achieve social and economic development according to the objectives of Indian Government classified by sector, by district and by regions.
- (ii) Pre-feasibility studies of specific projects.
- (iii) Final identification of specified projects (to be subjected to detailed technical feasibility studies not included in this proposal).

(C) Estimate of Resources

- (i) Estimate of monetary resources required to implement the development strategy with cash-flow projections;
- (ii) Estimate of human skills, education and training with detailed quantification of costs and a schedule;

- (iii) Description of organisational needs to implement the development strategy including administrative structures and processes, corporations and financial institutions.

(D) Legislative and Constitutional Considerations

- (i) Analysis of the advantages of special status.
- (ii) Analysis of the legislative and constitutional barriers to comprehensive socio-economic development.
- (iii) Analysis of the overall benefits to be derived from Indian control of equalization and transfer payments and relevant program resources of both the Federal and Provincial Governments.

(E) Action Plan

- (i) Statement of priorities.
- (ii) Preliminary scheduling of priorities for Year 1, Year 2, Year 3, Year 5 and Year 10.
- (iii) Detailed Action Plan for Implementation for Year 1.



PART 11 - AN ANALYSIS OF THE  
TECHNICAL IMPLICATIONS OF INDIAN GOVERNMENT

(A) Provision of Monetary Resources to  
Support the Machinery of Indian Government

There are significant costs attaching to:

- (i) the development of Indian Government policy;
- (ii) the development of an Indian Development Plan;
- (iii) consultations between local, regional and national levels of Indian Government;
- (iv) consultations between Indian Government and the Federal and Provincial Governments on constitutional, legislative and program matters.

All of these costs will be quantified and projected in a cash-flow analysis. A formulae will be developed for a contract between Indian Government and the Federal and Provincial Governments to secure and guarantee for Indian Government the monetary resources necessary to carry out its work.

(B) Transfer of Equalization Payments  
and Program Funds to Indian Government

The contemporary and historical transfer of funds from the Federal to the Provincial Government will be analysed to arrive at the total current and past losses borne by Indians in Saskatchewan. A formula will be developed to recoup past losses and to guarantee that the Indian portion of any future transfers will go directly to Indians.

There will be a progressive and orderly transition of Federal and Provincial program monies and resources to Indian Government. Detailed costings and quantifications will be developed and technical blueprints of a payment schedule and delivery systems provided to include all monies related to economic development, education, social services and health services.

### (C) Indian Government Institutions

The Development Plan of Part 1 and the Transfer of Funds to Indian Government as described above will require a review of all existing Indian Government institutions and delivery systems with a view to ensuring the orderly transfer of funds and the effective implementation of the objectives of Indian Government. Wherever necessary, alternative administrative and operational models will be developed for incorporation in an integrated system of Indian Government.

### (D) Human Resources

There will be a detailed quantification of the training and education needs of Indian Government and of The Development Plan, including the needs of individual communities, organisations, social and economic projects. This analysis will be drawn up in a way which fully considers the objectives of the Indian Education system. It will provide the data which will be essential to school boards and to policy-makers when they establish their priorities and plan the development of their programs. The analysis will provide a comparison between the cost and benefits of providing adequate education and training for children and re-training for adults and the costs in terms of welfare, health and correctional services, of doing nothing to halt present trends.

PART 111 - A CRITICAL-PATH ANALYSIS WITH  
TARGET DATES FOR IMPLEMENTATION

The Development Plan proposed in Part I and the Analysis of the Technical Implications of Indian Government proposed in Part II will be prepared as a continuous stream of studies and strategic reports which will be closely geared to implementation. As such, there will be a continuous interaction between analysis and implementation throughout the entire course of the work. Those preparing the analysis will share some of the responsibility for implementation.

All the components of the work will be integrated and subject to a critical-path analysis. The function of the critical-path analysis will be to inform the Chiefs and Executive of the Federation of Saskatchewan Indians of the targets and the progress of the work to eliminate duplication and lower overall costs. The critical-path will provide a comprehensive statement of the upcoming projects of Indian Government. In itself, this statement will help Indian Government move from a reactive to an active statement of policy, and allow the Federal and Provincial Governments to respond to the considered initiatives of Indians.

Parts I and II of this Proposal will proceed simultaneously to allow for feedback and to reduce costs. The precise targets and timetable will be set by the Chiefs of the Federation of Saskatchewan Indians.





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S4P 3R9

Terms of Reference - Federation of Saskatchewan Indians  
Policy Secretariat

- (1). Coordination of Federation of Saskatchewan Indians formal reorganization.
- (2). Central Executive Coordination of Federation of Saskatchewan Indians Policy Councils and Committees.
- (3). Executive-District Liaison-inter Indian Governmental Coordination.
- (4). Preparation, coordination of Saskatchewan - Federation of Saskatchewan Indians Executive Cabinet documents.
- (5). Technical support to Federation of Saskatchewan - Province of Saskatchewan formal tier relationship.
- (6). Technical follow up of Band/District/Provincial Assembly Chiefs Policy documents.
- (7). Definition/negotiation/resolution: of Canada-Saskatchewan Indian jurisdictional issues.
- (8). Coordination of Treaty Area service and administration centres.
- (9). Inter Indian-Governmental consultation.
- (10). Coordination of Indian Governmental-Provincial joint developmental strategy.

Wayne Ahenakew  
Executive Treasurer

Phone 764-3411

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# *Federation of Saskatchewan Indians*

April 28, 1981

## MEMORANDUM

TO: Chiefs of Saskatchewan  
Executive  
District Representatives  
Senate  
Past Presidents

FROM: Sol Sanderson

RE: Federation of Saskatchewan Indians/Provincial  
Government Agreements

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Attached are the copies of three Agreements that were addressed on the last day of our Chiefs' Conference.

### 1. Memorandum of Intent

This Agreement provides for a formal Federation of Saskatchewan Indians/Provincial Government relationship to effectively resolve the many outstanding jurisdictional disputes. It is clearly an arrangement that will provide for a greater level of understanding on both sides.

The Agreement formally has the Province recognize the treaty rights and Indians as Citizens Plus.

Negotiations will continue on further Agreements that will strengthen our Federal/Indian Trust Relationship.

## 2. Memorandum of Agreement

Enclosed are two copies of Agreements that impact on the Gasoline Rebate. To respect the autonomy of each Band, to determine whether it is going to enter into the rebate scheme, each Band will have to request by Band Council Resolution and approve by signing the enclosed Agreement.

NOTE: There is not one Band that is obligated to accept this scheme, it is a choice for each Band to make.

It is only an interim arrangement for four years, pending further negotiations. We enclose the following:

- a) Band Agreement;
- b) Federation of Saskatchewan Indians Agreement.

Yours truly,  
Sol Sanderson  
Chief

FEDERATION OF SASKATCHEWAN INDIANS

SS:pb

Encs.



MEMORANDUM OF INTENT

WHEREAS the Province of Saskatchewan and the Federation of Saskatchewan Indians are mutually committed to maintaining the relationship between them in a spirit of co-operation, responsiveness and respect; and

WHEREAS the parties have created the Tier I-Tier II committee process as the structure within which the relationship will be conducted and communication between them take place at corresponding levels of authority; and

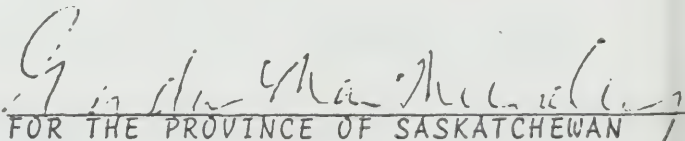
WHEREAS the parties have instituted an annual budget process within which their fiscal relationship is conducted: and

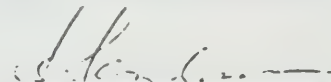
WHEREAS the parties wish now to formalize the relationship between them by entering into an agreement on the principles on which their relationship will be based:

THEREFORE, the parties agree hereby:

1. The attached statement of principles, titled the Umbrella Agreement, is accepted by them, and shall be the principle governing their conduct and relationship each to the other now and in future.
2. The Tier I-Tier II process is affirmed, and the parties hereby affirm that they will conduct their relationship within that structure.

IN WITNESS WHEREOF the Province by the Minister and the Federation by its Chief do hereto set their hands this 23<sup>rd</sup> day of April, 1981.

  
FOR THE PROVINCE OF SASKATCHEWAN

  
FOR THE FEDERATION OF SASKATCHEWAN  
INDIANS

UMBRELLA AGREEMENT1. General PrinciplesA. The Province's Relationship to Indian Peoples

1. The Indian peoples of Saskatchewan have particular rights guaranteed to them by their treaties with the Crown; said treaties operate to impose upon the Government of Canada the obligation to fulfill them, and create between that government and the Indian peoples a binding trust relationship.

2. The Indian peoples of Saskatchewan are citizens of Saskatchewan, and as such have rights of access to the benefits, programs and services provided by the Government of Saskatchewan to its citizens, except where such access or use would replace an obligation of Canada or detract from the aforesaid trust relationship.

3. The Indian peoples of Saskatchewan have the historic right recognized through the treaty-making process to their own political, cultural and social development as Indian peoples.

4. The Province reserves to itself the right to provide funding and other assistance directly to Indian bands or associations of bands for purposes relating to all of the above categories of rights, and to enter into such contractual or other relationships with bands as shall be necessary to provide such assistance.

B. The Province's Relationship to the Federation of Saskatchewan Indians

5. The parties recognize the primacy of the chief and council as the representatives of the Indian peoples. The FSI, through assemblies of the Chiefs and of their elected representatives, provides a political and policy voice for the Indian peoples.

6. In recognition of the relationship based on the aforesaid categories of rights between the Province and the FSI as a representative of the Indian peoples through their Chiefs, the parties have established a consultative process through the Tier I - Tier II committee structure.

The parties confirm their commitment to this process, and their intent that it provide the formal structure within their relationship will be conducted.

C. Operational Principles

7. The parties by this agreement, and by specific contract:

- a) acknowledge and confirm the basic principles on which their relationship is based and conducted
- b) establish the principles under which contractual and funding relationships relating to each category of rights will be conducted on a sectoral basis



- c) *establish the terms of reference for each program or activity funded by specific contract for each such program or activity*

8. *The Province and the FSI acknowledge the monies paid on programs or activities provided pursuant to this agreement are not intended to replace Federal responsibilities pursuant to the spirit and intent of the treaties.*

9. *The FSI will apply all monies paid pursuant to this agreement to programs and activities as hereinafter specified; shall maintain separate records of account for each such program or activity; and shall not except as may hereinafter be provided transfer funds from one program or activity to any other.*

10. *The FSI will carry out any financial administration required by this agreement in accordance with sound business practices and with such specific regulations as are hereinafter provided.*

11. *The FSI may contract on behalf of any associated organization, and may carry out all obligations specified by contract on their behalf, subject to the consent of such organization as indicated by that organization's signature accepting that contract specific to their program, activities and funding.*

12. The FSI shall submit to the Province through the Tier I - Tier II process by August 1 of each year their budget requests for the next fiscal year. Such budget shall be reviewed as part of the established Provincial budget review cycle for the succeeding fiscal year.

13. The FSI shall submit to the Province at the start of each fiscal year for each program or activity hereinafter described a proposed budget within the terms of reference of such program or activity. Each such budget shall include provision for administrative expenses, including costs of any audits, accountings or similar procedures required by this agreement or by proper business practice.

14. This agreement or any part thereof may from time to time be amended by mutual agreement of the parties. Amendments shall be proposed and discussed through the Tier I - Tier II process; amendment will be signified by the written agreement of the parties signed on behalf of the Province by a Minister and on behalf of the Federation by an executive member.

15. This agreement or any part thereof may be terminated at any time by mutual agreement of the parties, or otherwise by thirty clear days notice in writing by one party or the other; except that an associated organization on whose behalf the FSI has contracted may terminate that portion of the agreement only which deals with its own activity by thirty clear days notice in writing to both parties.

16. The FSI agrees to provide such accountings or reports as may hereinafter be required.

17. Nothing in this agreement shall prevent the Province from providing funds or other assistance to any other Indian organization, or from entering into such contracts, agreements or other arrangements as it shall deem advisable in order to provide such funding or assistance.

18. No members of the Legislature shall be admitted to any share or part of any contract between the parties, nor to any benefit to arise therefrom.

## 2. Sectoral Principles

### A. Treaty Rights

1. The Province is committed to full recognition of those rights guaranteed to Indian peoples by treaties and of the Federal trust obligation under those treaties.

2. The FSI acts as an advocate on behalf of the Indian peoples in pursuit of fulfillment by Canada of its treaty obligations.

3. The parties acknowledge that monies provided pursuant to this part of the agreement are intended to assist Indian peoples to research, document, develop and obtain their treaty rights. These funds are not intended to provide, maintain or operate programs nor are they intended to replace funding obligations placed on Canada by the treaties and Federal legislation.



4. The parties acknowledge that the Province provides the FSI with developmental monies as stated above without prejudice to its right to require that Federal funding be sought and obtained for those programs which are a Federal responsibility pursuant to the treaties and Federal legislation.

B. Rights as Citizens of Saskatchewan

1. The Province recognizes its obligation to ensure that Indian citizens of the Province have access to programs provided to Saskatchewan citizens, except where such access and use would replace programs and services guaranteed through the treaties by the Government of Canada. The Province acknowledges that in order for Indian peoples to receive these benefits in a manner comparable to that enjoyed by other citizens, it may be necessary to provide access, delivery, or program mechanisms specifically for Indian peoples.

2. The FSI agrees to provide and administer the programs activities and services described in this part on behalf of the Province for the Indian peoples.

3. The Province and the FSI agree to establish in each contract within this sector consultative and review mechanisms to avoid duplication of programs and to facilitate coordination with existing Provincial programs.

4. The parties agree that in all instances where Provincial programs are provided and administered pursuant to this part of the agreement, Provincial regulations applicable to such programs will apply.

5. For all programs in this part, the Province shall maintain the right to call for such program evaluations, reports or accounting as it shall deem necessary.

C. Social, Political, and Cultural Rights

1. The Province recognizes the right of Indian peoples to social, political and cultural development as Indians, which rights were recognized in the treaty-making process.

2. The parties acknowledge that such development may occur at a band, local, district or provincial level by Indian peoples and organizations; the FSI coordinates such development on behalf of the Indian peoples and their Chiefs. The Province maintains the right to provide assistance for such development to bands or other Indian organizations as it may deem advisable.

3. The FSI provides a process for policy development by the Chiefs and their representatives. The parties acknowledge the money provided for such policy development is not intended to establish or operate programs.

4. *The FSI acts as a forum for political expression by Indian peoples. Because it is formed from the Chiefs and Councils of the Indian peoples, it represents those peoples as their political voice.*



**APPENDIX "FISC-26"**

SUBMISSION TO THE PARLIAMENTARY  
TASK FORCE ON FEDERAL - PROVINCIAL  
FISCAL ARRANGEMENTS

BY

THE CANADIAN UNION OF PUBLIC EMPLOYEES

May 12, 1981

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## RECOMMENDATIONS

## I INTRODUCTION

This brief is being presented on behalf of the Canadian Union of Public Employees. We would like to thank the Parliamentary Task Force for giving us an opportunity to outline our views and we hope what we have to say will be of interest to its members.

Our union represents over 267,000 workers across the country. It is the largest trade union in Canada. CUPE members work in hospitals, schools, municipalities, day care centres, nursing homes, social service agencies, universities, community colleges, electrical utilities and a wide range of other public services. As such, we represent both the users and the providers of the services affected by federal fiscal transfers. For obvious reasons, the matters being considered by this Task Force are of great concern to our members.

We have tried to keep our comments as brief as possible as we are aware of the very tight time limits which have been imposed on the work of the Task Force. We do wish that more time had been allocated to this very important issue as the decisions made by the Federal government will have a profound impact on all Canadians. However, we appreciate that this was not a matter which the Task Force had authority to determine.

We have deliberately avoided reviewing the history of Federal Provincial cost sharing arrangements since the Second World War and particularly since the re-negotiations in 1977. We have also refrained from repeating much of what has been presented in the way of statistical information on the details of the cost sharing of various programs.



We see no point in wasting the Task Force's time by going over material which has already been presented by earlier witnesses including the Finance Minister himself.

Rather, we have focussed our attention and comments on the policy issues raised by the Federal Government's proposals. In our view the issues at stake are not primarily ones of whether the Federal Government should pay 40 per cent or 50 per cent or whatever percentage of cost sharing with the provinces. Nor are they primarily about whether post-secondary education is more or less deserving of Federal support than medicare or hospital insurance. No, the issues are much more basic. They are, quite simply, whether we are going to maintain and improve our current level of public and social services or whether we are going to see them gradually dismantled as part of a short sighted campaign by both Federal and Provincial Governments to transfer public resources to the private sector under the guise of "economic development."

From the period immediately following the Second World War until the early 1970's Canada's system of medical care, hospitalization, post secondary education and social welfare services was expanded as part of a general policy to provide all Canadians with a standard of public services commensurate with a civilized, advanced industrial society. While there were (and are) obvious gaps in the programs put in place, the fact remains that these services significantly improved the lives of ordinary Canadians.

However, since the mid 1970's Canada's social and public services have been subjected to a growing attack across the country. At

all levels of government, services have been cut back despite the very real hardships this has imposed upon Canadians. We believe the Federal Government's desire to re-negotiate the Established Programs Funding arrangements and the Canada Assistance Plan can only be properly assessed in light of this broader cost-cutting strategy.

## II MANDATE OF THE TASK FORCE

When Parliament established this Task Force, it restricted its mandate to one of determining how the cuts introduced in Alan MacEachen's October Budget should be allocated. The Federal Government did not ask the Task Force to investigate whether such cuts in social affairs spending were desirable or how much harm they would do to the welfare of ordinary Canadians. Nor did it request any assessment of whether the Federal Government's policy of shifting resources from social affairs to economic development and defence constituted a responsible approach to satisfying the needs of Canadians.

We are very disturbed that the Government has deliberately tried to exclude discussion of the effects of its cuts on the citizens of this country. It appears that the government wants to engineer a conflict among supporters of the various programs which are threatened by the cuts. It wants supporters of medicare to say the cuts should be in the area of welfare. It wants proponents of hospitalization to say the cuts should be in post secondary education. It wants advocates of post secondary education to argue that cuts should be made in medicare or hospitalization.

By restricting the debate to how the \$1.5 billion in expenditure cuts will be allocated in the next two fiscal years, the government hopes to divert attention from its basic economic and social policies. It has also attempted to stifle questions concerning whether



cuts are necessary in the first place. And, it has tried to pre-empt discussion on what will be done with the money "saved" in the social affairs spending envelope.

The Canadian Union of Public Employees would like to express, in the strongest terms, its fundamental opposition to the way in which the Federal Government has tried to stifle debate on these important issues by limiting the mandate of the Committee to a narrow range of questions relating to which services should be most severely cut. We believe that the issue of social spending cuts cannot be discussed in isolation from broader economic and political questions associated with the government's overall priorities. Indeed, it is our view that the implementation of the cuts will have a devastating effect on the well being of millions of Canadians and that they will serve no useful economic purpose.

For these reasons we do not intend to limit our comments to the question of how our medical, educational and social services should be dismantled. Rather, we intend to comment on the wider implications of the government's policies and point out how they will adversely affect the lives of ordinary Canadians.

### III THE FEDERAL GOVERNMENT'S ATTACK ON SOCIAL SPENDING

Last October, Finance Minister Allan MacEachen presented his budget to Parliament for the 1981-82 fiscal year. In it, education, social welfare, health care and hospitalization were given a very low priority. Over the next three fiscal years, the Federal Government intends to keep the growth of expenditures in the social affairs envelope below the rate of growth of government spending and below the rate of growth of the economy as a whole. What this means is very simple. Social affairs programs are to be subjected to major cutbacks.

The 1981-82 estimates state that the overall social affairs envelope will grow by 10.6 per cent in 1981-82 and 6.3 per cent in 1982-83 and 6.9 per cent in 1983-84.<sup>1</sup> Considering an inflation rate of over 12 per cent, this constitutes a major reduction in funding in real terms, particularly in the second and third year of the budget forecast. Although the rate of inflation in the next three years remains a matter of speculation, what we are seeing are cuts amounting to approximately 15 per cent in real terms if the budget is carried out.

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1. This data is based on testimony given to the Task Force by Gérard Veilleux, Assistant Deputy Minister, Federal Provincial Relations and Social Policy Branch on April 23, 1981.

Looking not at the overall social affairs envelope but rather at the E.P.F. component, we find the following amounts budgetted for the next four years:

ESTABLISHED PROGRAM FINANCING INCLUDING <sup>1.</sup>  
EXTENDED HEALTH CARE

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<u>Year</u>	<u>Amount Millions</u>	<u>Percent Change</u>
1980 - 81	\$5,708	- 6.1%
1981 - 82	6,404	12.2%
1982 - 83	6,938	8.3%
1983 - 84	7,590	9.4%

However, the accompanying text states the following:

"The federal-provincial arrangements governing the Established Program Financing and Canada Assistance Plan payments will shortly be renegotiated. Figures shown for these programs for 1982-83 and 1983-84 are estimates of what would occur if the terms of current arrangements were continued." (emphasis added) 2.

Clearly, then, these figures are erroneous since the Finance Minister also states with respect to EPF "I Have already indicated to my provincial colleagues that we will be examining these programs closely as they come up for renewal and we expect to achieve significant savings here." 3.

1. The Budget, October 28, 1980 p. 33

2. ibid., p. 32

3. ibid., p. 13



If the estimates are in error, then what does the Minister of Finance mean by "significant savings"? This was clarified when he appeared before this Committee on April 23 to state "we expect to secure net savings of the order of \$1.5 billion in 1982-83 and 1983-84". One of his officials expanded on this by referring to "reductions in the order of \$500 million in 1982-83 and \$1 billion in 1983-84."

With these figures, we can calculate the actual estimates for EPF expenditures, by subtracting the "net savings" above:

ACTUAL EPF EXPENDITURES INCLUDING  
EXTENDED HEALTH CARE

<u>Year</u>	<u>Amount Millions</u>	<u>Percent Change</u>
1980-81	\$5,708	+ 6.1%
1981-82	6,404	+ 12.2%
1982-83	6,438	+ 0.5%
1983-84	6,590	+ 2.4%

The actual figures show that Ottawa's expenditure on EPF will be roughly constant over the 3 year period 1981-1984. However, this does not take account of inflation over that period. Using the government's own projections' for inflation, adjusted for our experience to date in 1981, we calculate the after-inflation effects on EPF expenditures:

IMPACT OF CUTS ON E.P.F. EXPENDITURES

<u>Year</u>	<u>Growth in Actual EPF Expenditures</u>	<u>Projected Consumer Price Index (Medium-Term Prospects)*</u>	<u>Net Change in EPF Expenditures</u>
1980 - 81	6.1%	12.4%**	- 6.3%
1981 - 82	12.2%	9.4%	+ 2.8%
1982 - 83	0.5%	8.8%	- 8.3%
1983 - 84	2.4%	8.6%	- 6.2%
TOTAL	21.2%	39.2%	- 18.0%

\* Source: The Medium Term Prospects for the Canadian Economy 1980-1985 Budget Paper p. 14

\*\* Adjusted to actual CPI March 1980 - 1981

What this means is that the government plans to slash EPF expenditures by close to one-fifth, in real dollars. Far from advising on the renewal of the EPF, this Committee has been established to rubber-stamp the dismantling of our health-care and university system.

CUPE deplores this intolerable situation, and we urge members of this Task Force to ignore this cutback mandate and propose some solutions to the problems which beset our hospitals, medicare system, post secondary education and social welfare programs.

As we noted earlier, this cutback contrast sharply with the expansion of spending in the economic development envelope. The Budget calls for an increase in expenditures on this item of 21.6 per cent in 1981-82 and 13.5 per cent in 1982-83. Similarly, defence spending has been increased by 16.6 per cent in 1981-82, 12.6 per cent in 1982-83

and 12.0 per cent in the 1983-84 budget. This reflects the government's commitment to N.A.T.O. to increase real spending in this area by at least 3 per cent per year. Moreover, the N.A.T.O. Commitment entails automatic indexation of expenditures. Thus, if the inflation rate rises sharply, defence spending will be automatically adjusted to provide for an increase at least 3 per cent above the Consumer Price Index.

The low priority given to social affairs and the high priority given to economic development and defence are not accidental. The Federal Government is consciously pursuing a policy of shifting resources from social affairs to other programs. This has been explicitly stated by Finance Minister Allan MacEachen on a number of occasions and most recently before this Task Force several weeks ago:

"Now a word about fiscal arrangements and the government's budget strategy. In view of the fact that the mandate of the task force specifies that its examination of fiscal arrangements takes place within the context of the government's expenditure plan, as set out in the October 28th, 1980 budget, I would like to emphasize the importance of the review of these arrangements for successful implementation of the budget strategy in 1981-82 and the following fiscal years. The judgement was, at the time of the budget, that significant savings would have to be achieved in transfer payments to provincial governments which are part of the social affairs envelope, if we are to implement our over-all strategy, particularly with regard to deficit reduction and the shift of our spending priorities towards economic development. I am still very much of that view. The recent aggravation on inflationary pressures has made it even more important that we achieve our stated objective in this regard.

I also confirmed to the House on February 25th that, as provided in budget projections, we expect to secure net savings of the order of \$1.5 billion in 1982-83 and 1983-84."



The Federal Government's attempt to reduce its share of education, medical and social welfare programs which are funded under cost sharing arrangements with the Provinces is part of the broader policy of dismantling public and social services in this country. Although the concern of this Task Force is with cost sharing arrangements, we do not feel it should examine these matters in isolation from broader policy developments.

#### IV FEDERAL PROVINCIAL TRANSFERS ARE NOT THE CAUSE OF THE FEDERAL GOVERNMENT'S GROWING DEFICIT

One reason given by the Federal Government to justify its cut-backs in transfers to the provinces is that it must reduce its growing deficit which is predicted to surpass \$14 billion in the next fiscal year. The deficit argument can only be assessed if we take into account the corresponding revenue picture. The following table gives the percentage of federal government revenue from various sources since World War II.

It indicates that 30 per cent of all federal revenue came from personal income taxes in 1947. This increased to 37 per cent when Hospital Insurance was introduced; to 30 per cent a year after the Medicare Act; to its current high of 45 per cent of all revenue derived from personal income tax. This represents a 52 per cent increase.

Over the same period, the share of federal revenue borne through corporate taxes declined from 23 per cent in 1947 to 16 per cent as projected for 1980 - a 29 per cent reduction. In other words if corporations were today paying the same proportion of taxes they did in 1947, the federal government would have an additional \$3.5 billion in the current fiscal year alone. This would be enough to maintain and expand EPF funding levels. The following table gives the relevant figures. Even more disturbing, if the corporate sector had borne its fair share of taxes over the period 1947 - 1980, the federal government would today have an additional \$26.6 Billion in revenue.

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1. Calculated as 22.73% of federal government revenue for the period 1947 - 1980.

## SOURCES OF FEDERAL REVENUE SELECTED YEARS

<u>Year</u>	<u>Direct Taxes Persons</u>	<u>Direct Taxes Corporations</u>	<u>Indirect Taxes</u>	<u>Other Taxes</u>
	(%)	(%)	(%)	(%)
1947*	29.7%	22.7%	40.9%	6.7%
1957*	37.1%	20.6%	35.1%	7.2%
1967*	39.3%	16.3%	33.9%	10.5%
1979**	45.0%	16.7%	24.3%	14.0%
1980**	45.0%	16.0%	25.6%	13.4%

Sources: \* The Economic Review, April 1972, Department of Finance p. 137

\*\* The Budget October 28, 1980 p. 23

We would also like to point out that the very large government deficits in recent years have occurred since the federal government abandoned its commitment to Keynesian policies and began systematically cutting back the public sector. This was exacerbated by the adoption of wage controls in 1975. The A.I.B. assisted the corporations to boost their profits from \$20.0 billion in 1976 to \$34.3 billion in 1979. Ironically, wage controls also resulted in a major reduction in government revenues from personal income taxes because real incomes fell by over 5 per cent. Only a fraction of this reduction was made up by the slight increase in taxes on corporate profits over the same period. By helping its friends in the corporate boardrooms, the Federal Government did much to undermine its own financial situation.



The very large deficits have not occurred because of major increases in government spending. Rather they have occurred because of the deflationary economic policies being pursued, because of the proliferation of tax expenditures for the corporations and because of the growing volume of subsidies, grants and other handouts now being given to the private sector.

If the government wants to reduce its deficit, there are a number of ways this can be done without slashing social, educational and medical services.

One obvious way is to increase corporate taxes to the level which existed in the early post-war years. The enormous profits being reaped in the banking industry, the oil and gas sector, the mining industry, property development, real estate and the forest industry should be tapped as a key source of Federal revenue. The companies in these sectors can readily afford to pay a fairer share of the costs of government programs.

A second way is to eliminate the wide range of tax loopholes which have been introduced since 1972. Considering the many new ways in which the Federal Government is allowing corporations and rich individuals to escape taxation, it is not surprising that the deficit has been growing in recent years.

A third way is to curtail the enormous subsidies presently being made to the private sector. Instead of increasing the level of hand-outs through what is euphemistically referred to as "economic development" programs, we believe the government should take the private

sector at its word and tell it that it should stand on its own feet, rather than looking to government to support its investments.

The preceeding suggestions indicate that the Federal Government is not forced to chop social affairs spending. It has other options. But for political reasons it has chosen to make ordinary Canadians bear the brunt of its austerity measures by attacking vital public and social services.

The A.I.B. wage controls and other Federal Government economic programs have resulted in a massive shift of income from individuals to corporations. In 1975, prior to full impositions of controls, profits and interest income accounted for a 21.8 per cent share of total national income. By 1979, profits and interest represented 26.0 per cent of total national income. (Income to workers and other individuals took a corresponding cut). Therefore, we believe that the corporate community in Canada is well able to afford a sharp increase in its share of funding for social programs.

PROFIT AND INTEREST SHARE OF NATIONAL INCOME GROWING

	<u>Percent of National Income</u>		
	<u>Corporation Profits Before Taxes</u>	<u>Interest and Investment Income</u>	<u>Total</u>
1972	13.6%	5.7%	19.3%
1973	16.3%	5.7%	22.0%
1974	17.6%	6.7%	24.3%
1975	15.2%	6.6%	21.8%
1976	13.5%	7.5%	21.0%
1977	13.8%	7.9%	21.7%
1978	14.5%	8.5%	23.0%
1979	16.9%	9.1%	26.0%

Source: Statistics Canada: National Income and Expenditure Accounts.



## V SOCIAL WELFARE SHOULD NOT BE SACRIFICED TO PROVIDE HAND-OUTS TO BUSINESS

A major reason for the current attack on social affairs spending is the government's desire to provide more subsidies and hand-outs to the corporate sector. Public services are to be cut so that resources can be transferred to the private sector for so called "economic development". The working people of this country, who pay the taxes to fund our social and educational services, are expected to see these services dismantled, bit by bit. At the same time they are expected to watch their tax dollars swell the profits of corporate shareholders.

Faced with a declining manufacturing sector, high inflation, high unemployment, and a stagnant economy, the government has decided that the solution to these problems is to hack away at the public and social services under the misguided assumption that the public sector is responsible for the present economic crisis. Although there are a number of fashionable economic theories which purport to show that cutting government spending and reducing the role of government in the economy will provide the key to recovery, we disagree. Neither monetarism, nor supply side economics has the answer, because the analysis upon which they base their prescription is fundamentally wrong.

The problems of our economy are not based on the excessive growth of public services. Rather they flow from the failures of the private sector. The sources of our economic difficulties are the high level of foreign ownership, especially in the key resource sector;

the growing monopolization of all sectors of industry and commerce; the lack of proper research and development in the subsidiaries of the foreign multi-nationals; excessive profiteering in the oil and gas, banking, real estate and resource sectors; and the absence of any real economic planning in this country because of the private sector does not want such planning - these are the sources of our economic difficulties.

They are also the source of the government's financial problems. According to the Finance Department's own figures, over \$14 billion was lost to the Federal Government in 1979 as a result of a wide range of tax exemptions. (This figure does not include the loss of revenue from estate duties abolished in 1972). The benefits of these tax expenditures were not reaped by ordinary Canadians. Rather they accrued to the big corporations and a handful of wealthy individuals in the top income tax brackets. In the same year, total government assistance to business corporations amounted to almost approximately \$6 billion or almost exactly the amount that was collected in taxes from this source.

In light of the past failure of such "incentives" to promote economic development, the Federal Government's present policy of shifting even more resources to the corporate sector makes no sense, except in terms of appeasing the vested business interests who have had far too much influence in government policy in recent years.

Aside from the enormous hardships that the Federal Governments' recently announced cuts will have on ordinary Canadians, the fact is that they will not contribute to resolving our economic difficulties. We can see this very clearly simply by looking at Great Britain where Sir Keith Joseph and his monetarist disciples have

wrecked havoc on that country's industrial base. Far from unleashing a new wave of growth and prosperity in the private sector, cuts in public spending in Britain have only served to depress demand and drive thousands of manufacturing firms into bankruptcy.

Industrial production, according to the Manchester Guardian, has fallen substantially every year since Margaret Thatcher's policies were first implemented. Indeed, what her government appears to have done is to deflate the economy in a way which almost exactly parallels to the deflationary policies followed in the 1930's. And, most disturbing of all, despite the 2.5 million who are now unemployed, manufacturing investment, upon which that country's future development ultimately lies, has continued to plummet. If there is one lesson which can be learned from the U.K. it is that cutting public spending is no panacea for our country's economic problems.

Yet we see exactly the same kinds of policies being followed by both Federal and Provincial governments. It is as if they are intent upon initiating a downward spiral of lower demand, lower investment, reduced levels of services and higher unemployment.

Instead of making ordinary Canadians pay for the economic problems of this country through reduced services, we suggest that governments focus their attention on the real source of our problems in the private sector.



## VI THE "IMBALANCE IN FEDERAL-PROVINCIAL FISCAL RELATIONS

Another reason given for cutbacks in EPF is that there is an "imblance" in federal-provincial fiscal relations. Here it is argued that intergovernmental transfers have become so large there "has been a deterioration of the fiscal position of the federal government to the point where its freedom to initiate policies and programs has become severely limited." It is also argued, in a somewhat contradictory fashion, that "checkerboard federalism" will result from provincial surpluses and federal deficits.<sup>1</sup>

The first point can be easily dismissed, with reference to the next table. It shows that federal transfers to provinces and municipalities accounted for a larger share of expenditures in 1977 (when cost-sharing was abandoned) than they do today. Hence the federal government has already reduced its transfers as a per cent of expenditures. What is even more startling is Ottawa's projections, which see the federal commitment declining to 18 per cent of expenditures by 1983 - 84. The last time it was this low was 1965 - hence what the federal government is proposing is to withdraw to funding levels which existed before Medicare and before funding for universities.

The "checkerborad federalism" argument is based solely on the fact that three provinces - B.C., Alberta, and Saskatchewan - have surpluses from their natural resource revenues. But what kind of a solution is it to cutback funding for basic social services to all ten provinces? Clearly, it is the have-not provinces, particularly in the

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1. Submission to the Task Force by Allan MacEachen, Minister of Finance April 23, 1981, p. 2A:7 and p. 2A:16.

Maritimes, which will be hurt by such a strategy. And paradoxically, these cutbacks will produce exactly that- a checkerboard of social services, undermining national standards and further exacerbating regional disparities which the Federal Government says it wishes to prevent.

TRANSFERS AS A PER CENT OF FEDERAL EXPENDITURES

<u>Year</u>	<u>Total Federal Transfers to the Provinces and Municipalities *</u> (\$ Millions)	<u>Total Federal Government Expenditures **</u> (\$Millions)	<u>Transfers As a Per Cent Of Expenditures</u>
1947 - 48	90.4	2,989	4.3%
1957 - 58	347.8	5,422	6.4%
1967 - 68	2,550.0	10,990	23.2%
1977 - 78	12,740.7	43,758	29.1%
1979 - 80	14,979.7	54,412	27.5%
1980 - 81	16,581.5	63,550	26.1%

Sources: \* Senate Committee on National Finance October 23, 1980 p. 114: 53.

\*\* Richard Bird, Financing Canadian Government, 1979 Canadian Tax Foundation p. 109; and The Budget October 28, 1980 p. 23.

## VII IMPACT ON EMPLOYMENT

Reductions in spending on post-secondary education, hospital services, medicare and social welfare will result in a major increase in unemployment, especially in cities or regions where these services are the major employers. Aside from the obvious social and economic hardships which this will have on the workers laid off, we question whether it will be accompanied by any compensating economic benefits.

If we had full employment and a labour shortage, the question of lay-offs might not be so serious. But the reality is that unemployment is officially in the range of 8 per cent and probably very much higher if we include the numerous categories of people classified as "unemployable" and therefore excluded from the figures. Consequently, a substantial proportion of those laid off will simply remain unemployed. The Federal government will then have to support them through U.I.C., welfare and various other assistance programs.

This brings us to another point. We have not seen any economic analysis of the extra costs associated with lay-offs of the size contemplated by the Federal Government. We wonder whether the Federal Government has considered all the additional costs which will be borne by various levels of government as a result of supporting those whose jobs are eliminated. Does it have any figures on the additional amounts which will be spent, not simply on U.I.C. and welfare, but also on mental health care, social services, job re-training and all other social costs which accompany unemployment? We also wonder whether the government has considered the fact that the crime rises



with increasing unemployment. When all these factors are taken into account, as well as the fact that the public is suffering a reduction in needed services, the advisability of these cuts is certainly called into question.

We would also like to point out that the services earmarked for cuts are ones which are highly labour intensive. The amount of capital invested per worker is relatively small, unlike, oil refining, forestry, manufacturing and many other industries. The Federal Government's economic strategy envisages pursuing economic development by transferring resources to private sector industries such as those mentioned above. Yet the impact in terms of job creation will be only a fraction of the loss associated with public service redundancies.

We are also concerned that those who are to be laid off, by and large, do not have skills which can readily be applied in other areas of employment. Where is an unemployed philosophy teacher to find alternate work which would make use of his or her training? Where are nursing aides to find jobs which utilize their skills if they are made redundant by the hospital system? What is a qualified social worker to do when municipal social services contract as a result of cutbacks?

Many skills possessed by public sector workers are not readily transferable to other occupations in the private sector. Consequently, the elimination of large numbers of public sector jobs will result in a major waste of human talents - both for the workers concerned and

for the public who will lose the services these workers currently provide. When viewed from this perspective, the Federal Government's policies appear short-sighted and wasteful of our human resources.

Finally, the growth in unemployment will occur primarily in areas of the country such as the Maritimes, which are already suffering disproportionately from this problem. Thus it will exacerbate, even further, the notable regional disparities which plague our country.

## VIII THE THREAT TO HOSPITAL INSURANCE, MEDICARE AND EXTENDED CARE

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Federal grants to the provinces for Medicare and Hospital Insurance constitute the largest part of EPF. In 1975 - 1976, for example, the hospital portion was \$1.75 Billion, or 57 per cent of the total, while Medicare received \$794 Million, or 26 per cent of the total. In 1977, federal involvement was expanded with the Extended Health Service Program. Under this program, an additional \$640 million was transferred to the provinces in 1980 - 1981 for certain supplementary health services.

How did the federal government come to play such a major role in health care - an area of provincial jurisdiction?

The answer is that the national government realized the importance of equal, universal access to health care, a need which many of the poorer provinces could not fulfill. It therefore initiated a system of conditional grants designed to promote this principle.

This principle was first enunciated by the Rowell-Sirois Commission, which was established in 1937 "to examine the constitutional allocation of revenue sources and governmental burdens to the dominion and provincial governments ... and its suitability to present conditions." It found that the provinces were unable to pay for much - needed social relief, and recommended a system of "national adjustment grants" to the provinces so they could maintain a certain standard of public services.

This principle was first applied in the health sectors. As



early as 1948, the federal government began to provide conditional grants for hospital construction by the provinces up to one-third of the cost. This was followed by the Hospital Insurance and Diagnostic Services Act of 1957, which committed the federal government to share the operating costs of hospitals with the provinces on a fifty:fifty basis.

In 1966, this concept was expanded to include other medical services. Under the Medical Care Act of 1966, Ottawa agreed to pay 50 per cent of costs of a provincial medicare scheme if it satisfied the criteria of portability, comprehensiveness, accessibility, universality, and non-profit public administration.

Health care was not the only area in which the federal government became involved in provincial responsibilities through cost-sharing and conditional grants. In 1967, Ottawa recognized the national interest in post-secondary education and accordingly increased its funding to this sector - as pointed out elsewhere in this Brief. Much earlier, the construction of the Trans-Canada Highway to link the regions was funded in a similar fashion. In all cases, the rationale was identical.

This system of conditional grants designed to maintain national standards was abandoned in the 1977 renewal of the EPF. Instead of cost-sharing, the federal level was to limit its expenditure increases to the overall growth in the economy. Conditional grants were replaced by a combination of cash and the transfer of tax points. Under this arrangement, Ottawa transferred 13.5 percentage points of personal income

tax and 1.0 percentage point of corporate tax to the provinces.

This change was ostensibly designed to give the provinces greater autonomy in the health field. Here it was felt that they could operate more effectively with complete expenditure control.

Instead, many of the provinces used this opportunity to cut-back their health care expenditures. This point is well documented in an unpublished study by the Ministry of State for Social Development. It shows that the provincial share of EPF health expenditures has declined from 41 per cent of the total in 1975 - 1976 to only 27.8 per cent in 1980 - 1981. Over the same period, the federal share increased from 49 per cent to 61 per cent.

With such evidence, one must question the wisdom of the federal government's decision to withdraw from cost-sharing. Would it not be better to be paying one-half the costs of health care regulated through federal standards than over one-half (and growing) of a system with no quality controls?

In this regard, we recommend that Committee members examine a recent article by Malcolm Brown, a social policy economist from the University of Calgary, which we have reproduced as Appendix A. Professor Brown argues that there is a connection between the change in 1977 to block funding of EPF and the increasing incidence of user fees, extra billing, and opting out of medicare. He demonstrates that some provinces, particularly Alberta, have since 1977 reduced their financial commitment to health insurance. In addition, he debunks the myth that health care costs were out of control, which was the basis for Ottawa withdrawing from cost sharing.

Professor Brown is a recognized expert in this area. We therefore suggest that he be invited to appear before your Committee as an expert witness.

We now turn to a more detailed examination of the two health care components of EPF, Hospital Insurance and Medicare, and present evidence on violations of national standards in these two programs.

a) Hospital Insurance

Under the Hospital Insurance and Diagnostic Services Act, the federal government provides for hospital services on an in-patient and out-patient basis.

The problem with this approach is that it encouraged the use of hospitals over alternative forms of treatment. For example, this financing could not be used for mental institutions, homes for the aged, nursing homes, infirmaries, and other forms of custodial care.

This form of financing also biased provincial expenditure priorities towards high-priced hospital care. The best example here is community health centres (CHC). The CHC concept was recommended by the 1969 Task Force Report on the Cost of Health Services as a cost-effective alternative to hospital care. Modelled on the community clinics then operating in Saskatchewan, CHC's would provide both preventative care and treatment with salaried doctors working in community-controlled clinics. The concept was strongly endorsed by one 1971 Castonguay-Nepveu Report in Québec and by a special study done for Health and Welfare Canada by Dr John Hastings in 1972. Hastings recommended that the federal government provide seed money to the provinces to develop



these centres, but this was ignored and today CHC's only exist in those provinces - Québec and Saskatchewan - which have a strong commitment to community-based health services. (For a more detailed history of the CHC experience, see the Perception article reproduced as Appendix B).

It is interesting to note how Ottawa's stance on the CHC concept has changed over time. In a 1969 address to a Canadian Labour Congress conference on Medicare, the Honourable John Munro, then Minister of National Health and Welfare, listed "the advantages of the community health care concept:"

- Consumer has a role in the planning, development and operation of these centres;
- Larger patient population and higher incidence of medical problems makes specialization attractive;
- CHC's can offer a full range of preventative, diagnostic and curative services, at lower costs than in hospitals;
- Laboratory, X-ray, and other medical equipment would be more readily available, particularly in smaller centres;
- CHC's can offer auxiliary services, such as a social worker or dietician
- CHC's would encourage a better distribution of doctors, because they would no longer have to be near hospitals;
- Improved economy through early detection and prevention of disease.

With such a ringing endorsement in 1969, one wonders why the federal government did not see fit to encourage CHC's through cost-sharing.

### Premiums for Hospital Insurance

The only condition imposed on the provinces under the Hospital Insurance Act is that they "make insured services available to all residents ... upon uniform terms and conditions."

In this regard, we would suggest that this criteria rules out health insurance premiums as they exist in three of the wealthiest provinces - Alberta, B.C. and Ontario. The terms and conditions are certainly not uniform when some provinces finance their portion of hospital insurance out of regressive premiums, while others use a progressive income tax system. In 1976-77, for example, premium assessments in Alberta, B.C. and Ontario totalled \$1.005 Billion, or fully one-quarter of all expenditures by these provinces on hospital and medical insurance in that year.<sup>1</sup>

### Medicare

Under the Medical Care Act of 1966, the Federal Government agreed to contribute to provincial medicare plans which met certain criteria.

These standards are as follows:

1. Comprehensive coverage for all medically required services rendered by a physician or surgeon. There can be no dollar limit or exclusion except on the grounds that the services are not medically required.
2. Uninhibited access to necessary services. The benefit coverage must be administered in such a way that there will be no impediment or preclusion through financial charges or otherwise to an insured person receiving necessary medical care.

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1. The data is from the unpublished study on E.P.F., prepared by the Ministry of State for Social Development.

3. Universal availability to all residents of a participating province on uniform terms and conditions.
4. Portability of benefits when the beneficiary is temporarily absent from his/her own province and when he/she is moving from one participating province to another.
- 5. Administration on a non-profit basis by a public authority which is accountable to the provincial government for its financial transactions. 1.

In spite of these standards, some provincial medicare plans are being undermined by opting out, extra billing, user fees, and premium charges. The following provincial survey gives just some of the examples of abuse.

#### NEWFOUNDLAND

On April 1, 1978, Newfoundland implemented a user charge of \$3.00 per day for a standard ward in a hospital, up to a maximum of 15 days per admission. There are apparently 2 doctors in the province who extra-bill at the present time.

#### PRINCE EDWARD ISLAND

Last year, PEI moved to a "patient streaming" system, which allowed physicians to bill patients directly, and then be reimbursed. Obviously, this arrangement will facilitate extra-billing. At present, 5 doctors on the Island are opted-out.

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1. Health and Welfare Canada, Medical Care Annual Report 1977-78 p. 1



NOVA SCOTIA

In Nova Scotia, it is reported that 3 per cent of all billings are above the provincial fee schedule.

NEW BRUNSWICK

New Brunswick, like PEI, permits the direct billing of patients on a reimbursement basis. Extra-billing occurs in 2 per cent of all claims under that province's Medical Care Plan.

QUEBEC

Quebec is one of only two provinces which ban extra-billing. Accordingly, only 10 specialists operate outside of the provincial plan, and their patients receive no reimbursements under it. The Province charges a user fee of \$7 per day in extended care hospitals and in extended care units of other hospitals.

ONTARIO

Ontario permits its physicians to opt-out completely. A recent survey revealed that 15.5 per cent of doctors have opted-out of O.H.I.P. and it is estimated that anywhere from 20 per cent to 50 per cent of physicians extra-bill. This makes Ontario one of the worst offenders of the principle of equal access. Two weeks ago, a fee schedule was agreed to by the Ontario Medical Association and the Ontario Government incorporating a 14.75 per cent increase. Despite this generous settlement, the Province was unwilling or unable to implement a ban on extra-billing and opting-out. Ontario charges health insurance premiums of \$20 per month single and \$40 per month for a family - the highest in the country.

MANITOBA

Manitoba also allows extra-billing, with opted-out physicians billing the plan for the insured portion. Some 5.6 per cent of billings are above the Provincial fee schedule - a high proportion in a province where isolated communities may only be served by one physician. Effective May 1, 1978, Manitoba initiated a \$7 per day hospital user fee for "non-medically required" services and an equivalent charge for services in personal care homes.

SASKATCHEWAN

In 1962 the Saskatchewan Government was forced to give the right to extra-bill in order to settle the doctor's strike. Today, 3 per cent of billings exceed the fee schedule - a situation which the province's Minister of Health regards as a threat to universal access. User fees (then they were appropriately called "deterrent fees") were tried in Saskatchewan under Premier Ross Thatcher and abolished with the change of government. Research has shown that these deterrent fees led to a 7 per cent reduction in utilization rates overall, and an 18 per cent fall in medical services to lower-income people.<sup>1</sup>

ALBERTA

Nearly 38 per cent of physicians in Alberta extra-bill, and the only legal obligation is that they give advance notice. The Province has recently institutionalized the practice by setting up a Committee to assess the "fairness" of extra charges. Obviously, this

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1. R. Beck, The Effect of Copayment on the Poor Journal of Human Resources Vol. 9 1974 pp. 129-142, as cited in D. Swartz, unpublished manuscript.

serves to legitimize the procedure. Alberta now charges a user fee of \$5 for the first day in an active treatment hospital, and \$5.50 per day in auxiliary hospitals. In addition, the Province collects health premiums of \$7.65 per month single and \$15.30 per month family effective July 1, 1978. Fee schedules have increased by greater than 15 per cent in each of the past two years, and despite this, the Province has not been willing to ban extra-billing.

#### BRITISH COLUMBIA

Besides Quebec, B.C. is the only province where extra-billing is not prevalent. However, when the Province moved recently to ban extra-billing, the doctors responded by withdrawing certain services after rejecting a proposed 15.2 per cent fee hike. B.C. has the most detailed set of user fees in the country, ranging from \$1 per day for outpatients, to \$4 per day for hospital care, to \$6.50 per day for extended care -with no maximums. In addition, the Province charges health care premiums of \$7.50 single, \$15.00 for a couple, and \$18.75 for three or more persons. This is the only premium system which charges more for dependent children.

With such a litany of abuse, there clearly is a need for changes in the federal criteria for Medicare. We urge that your Committee give this matter the highest priority.

#### DENTAL CARE

One of the most neglected areas of public health is dental care. Despite the growing awareness of the importance of oral hygiene



in recent years, many Canadians have little or no contact with dentists and fail to practice basic prevention, only to be plagued by serious dental problems like gum disease in their later years.

Little has been done at the federal level to reverse these trends. The only federal funding under Medicare goes toward certain surgical-dental procedures, which are usually extractions performed in hospitals. No other federal funding is provided for dental care, and as a consequence there are no national standards in this area.

This lack of national standards is evident from the welter of provincial denticare schemes. To date, six provinces have implemented denticare for select age groups. In Quebec, Nova Scotia, Newfoundland P.E.I. and Saskatchewan it covers children of certain ages, while in Alberta coverage is provided to citizens over 65 years of age. In one of the provinces, Saskatchewan, the program emphasizes oral hygiene and basic prevention through the use of dental hygienists who visit schools while the other provinces use traditional delivery methods.

The only alternative in the other four provinces and for excluded age groups is private dental insurance; currently only 25 per cent of Canadians are covered by private dental plans. Moreover, these programs suffer from the same access problems which plagued our medical care system prior to Medicare:

- Deductibles are imposed, which inhibit their use;
- Many plans have co-insurance of say, 20 per cent, with no maximum costs for the insured;
- Some plans impose unrealistic maximum benefits on either a lifetime or annual basis, which denies access for expensive treatment like root canals,

- Dentists can charge what they like, since there are no fee schedules;
- Dental insurance is only available on a group basis, through one's place of employment. This excludes from coverage those who are not in the labour force, and those not covered under employer-sponsored plans. It is next to impossible to acquire individual dental insurance at any cost;
- Dental insurance does nothing to rectify the problem of access to care in remote communities, poor areas, and those provinces with a shortage of dentists.

This hodge-podge of provincial and private dental care is clearly inadequate for a prosperous, industrialized country. We urge that this Task Force examine the more successful provincial denticare schemes with a view to designing a set of national standards for a universal public denticare system. Such a system should place a heavy emphasis on preventative dental care. Moreover, it should provide a role for dental hygienists, Community Health Centres (CHCs) and other alternative means of providing dental care.

#### EXTENDED HEALTH CARE

Under the 1977 Fiscal Arrangements, an Extended Health Care (EHC) component was added to EPF to assist the provinces in providing certain supplementary health services. These services include nursing home intermediate care, adult residential care, converted mental hospitals, home care (health aspects), and ambulatory health care services.

EHC was funded in 1977-78 on the basis of a \$20 per capita federal contribution, with provision for yearly escalation.<sup>1</sup>

1. Health and Welfare Canada, Medical Care Annual Report 1977-1978  
p. 5,

However, as distinguished from existing conditional grants, it is non-matching i.e. there is no requirement that the provinces make an equivalent contribution.

This lack of provincial support is evident in our nursing homes and extended care facilities. The staff are miserably underpaid and overworked and they operate in poor facilities.

Another noticeable feature of EHC financing is that it makes no provision for prescription drugs. Drug costs are one of the most costly out-of-pocket expenses facing the sick. Some provinces provide a drug benefit program for senior citizens, but others do not and the result is a checkerboard of coverage based on geography and age. This Committee should recommend that a National Pharmacare program be introduced as part of the existing EHC financing.

This proposal would result in significant cost savings if the federal government negotiated prescription drug prices with the pharmaceutical companies. This would bring to an end the cosy arrangement whereby physicians prescribe name-brand drugs based on the number of free samples and gifts they receive. A National Pharmacare program would also reduce the grossly - inflated profits received by pharmaceuticals.

#### CUTBACKS ON HEALTH CARE DATA COLLECTION

It was noted earlier in this Brief that Social Affairs spending has been subordinated in favor of increases in economic development and defence expenditures. The following two examples show where these misplaced priorities have been taken to such an extreme that the



federal government has eliminated basic data-gathering in the health care sector:

- In 1978, Health and Welfare Canada initiated an annual survey of medical and dental needs across the country. However, this survey was discontinued in 1979 with budget cuts. 1.
- In 1979, 7 long-standing publications of the Health Division of Statistics Canada were eliminated and replaced with 3 new ones. The result is that useful information on such topics as hospital expenditures and usage indicators are only available in summary form. Moreover, the latest available publication in this series was released in 1976, so that by the time it reaches the public it is next to useless.

Without such surveys, one wonders how the federal government can monitor provincial expenditures and their adherence to national standards?

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1. The Globe and Mail July 14, 1979

IX THE E.P.F. AND POST SECONDARY EDUCATION CUTBACKS

The one area of social affairs expenditure which appears to have been singled out for special, discriminatory treatment is that of post-secondary education. Health and Welfare Minister Monique Begin has assured the provinces that there will be no significant cuts in medicare or hospitalization. Although the Federal Government's intentions regarding municipally administered social services remain unclear, there is every indication that the main area where cuts will be administered is that of post secondary education.

As we understand it, the basic argument, other than financial restraint, which underlies the Federal Government's proposed curtailment of funds for post secondary education is the fact that the provinces have failed to match the Federal Government's contribution since the Fiscal Arrangements and Established Program Financing Act was re-negotiated in 1977. There is little doubt that the Federal Government is now paying a substantially larger share of the costs of health and post secondary education programs than six years ago.

The E.P.F. was changed in 1977 because the Federal Government objected to the open ended nature of the previous 50 - 50 cost sharing arrangements. In other words, a major factor leading to the present imbalance between Federal and Provincial contributions to post secondary education lies in the efforts of the Federal Government to limit its own contributions. To do so it was willing to give the provinces much more control over how cash federal transfers and the accompanying tax points were allocated.

Because the medicare and hospitalization programs had certain criteria which had to be met by the provincial governments, their ability to transfer E.P.F. funds earmarked for this purpose to other areas was limited. However, because no similar standards applied in the area of post secondary education, they were able to use the money for quite different purposes.

In Ontario, for example, federal transfers were used to enable the government to keep down its level of provincial taxes. The details of how this was accomplished have been presented to this Task Force by several organizations including the Canadian Association of University Teachers, the Social Planning Council of Metropolitan Toronto and the Federal Government itself.

There were clear indications at the time the E.P.F. was negotiated in 1977 that the provinces would use some of the federal funds for other purposes. It seems clear to us that this was a lower priority for the federal government than that of cutting its own costs. The principle of maintaining a high quality post-educational system was sacrificed to the short term goal of fiscal restraint. Because these potential abuses were anticipated back in 1977, it is hypocritical of the Federal Government to lay the blame entirely on the provinces for their failure to maintain their share of the costs of post-secondary education.

Now the Minister of Finance is using these abuses as a justification for a corresponding cut in Federal funds. We find this justification totally without substance as the reasons for the original changes lay with the Federal Government's own cost cutting policies.



X POST SECONDARY EDUCATION PLAYS A VITAL ROLE  
IN MEETING BASIC SOCIAL NEEDS

Post Secondary Education has been subject to major cutbacks across the country and especially since the new E.P.F. arrangements were put in place in 1977. There is little doubt that the standards of education at universities, community colleges and other institutions are deteriorating. The morale of teachers, teaching assistants and support staff is suffering as a result of lay-offs, increasing work loads, reductions in capital spending restrictions on research budgets, lower standards of maintenance and all the other effects of fiscal starvation. In the end, the real losers are the students.

Thus the impact of the proposed budget cuts will be devastating. Yet there appear to be many members of the Federal Government who look upon the destruction of our post secondary system of education with indifference. Indeed there are far too many who believe that it is an unnecessary luxury which we can no longer afford.

The Canadian Union of Public Employees believes this is a completely erroneous view of the role post-secondary education plays in our society. Because the brunt of the cuts are likely to fall in this sector, we feel it is worthwhile to review briefly, why post-secondary education is vital to our society.

The first and most obvious reason is that education is itself a socially desirable and personally satisfying objective. It is strange that we have to justify expenditures on education itself in a society where the purchase of a vast array of consumer goods and the expenditure of billions of dollars on the leisure industry is encouraged.

When we consider the beneficial effects for individuals associated with having an opportunity to learn and develop and simply enjoy knowledge, the importance of providing such opportunities is obvious.

Post secondary education is a basic component of a decent and civilized society. It is a perfectly valid way of allocating our resources. Indeed when looked at simply as a form of consumption - and there are many other perspectives - the fact is that it is a much more socially valuable kind of consumption than virtually any of the alternatives offered in the private sector.

Moreover, if we look at how the resources currently allocated to post secondary education expenditures will be used if Allan MacEachen carries through with his policy of transferring resources to the private sector, we find that they will be spent in far less socially useful ways. Instead of giving individuals an opportunity to develop themselves, the money will be used to subsidize the investment and profits of business corporations. It will be squandered in so called development projects which are basically a means for transforming public revenues into private profits.

The Economic Council of Canada has stated:

**T**HE ECONOMIC Council has previously devoted considerable attention to the importance of education in Canada for the growth of our economy and the evolution and development of our society. This chapter continues the Council's work in this goal area within the context of the decision-making framework elaborated earlier in this Review.

A large and growing volume of Canada's manpower and capital resources has been devoted to education, particularly over the last decade. There was a general recognition in the early 1960's that our economic and industrial growth depended, in part, upon an adequate

supply of people with certain types of skills and education. In addition, a significant portion of the professional and skilled segments of the labour force had been drawn from abroad, and it was felt that we should not have to lean so heavily upon these sources for our trained manpower, particularly since these sources were not certain over the longer term. Consequently, the educational systems in Canada have been considerably expanded, and more Canadians than ever before are receiving formal education, particularly at the post-secondary level. Beyond the formal educational systems, a very rapid growth has also been taking place in educational activities of other types.

Most of the expansion in formal education has been financed through tax revenues; about 90 per cent of the funds for formal education and vocational training in both 1960 and 1967 came from governments. The magnitude of the expansion is indicated by the fact that the portion of total expenditures devoted to education by all levels of

- the necessity for output measures that can be used to evaluate the effectiveness of policies and programs in relation to the objectives of education;
- the calculation of proxy measures of some economic aspects of educational output; and
- some redistributive aspects of postsecondary educational expenditures.

### POLICY OBJECTIVES OF EDUCATION

Education has the potential to enrich the lives of individuals by developing and refining some of their faculties, skills, and attitudes. The public has generally been willing to support educational activities, within reasonable limits, partly because it has come to recognize that certain benefits flow to society as a whole and not merely to the individuals who receive an education. However, what these benefits are and how large they are, become questions of considerable concern when the costs of education rise significantly, as has been the case in Canada in the recent past. The identification and quantification of the benefits of education have proven to be knotty problems. Nonetheless, it seems clear that education can contribute to two fundamental objectives of society—namely, economic growth and cultural development. Moreover, because of its importance in distributing throughout society the skills and attitudes which contribute to economic growth and cultural development, education may significantly affect another fundamental objective of our society—namely equality of opportunity.<sup>1</sup>

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1. Economic Council of Canada, Eight Annual Review September 1971 pp. 197.



Universities and Community colleges also carry out a wide variety of research functions both, theoretical and applied. The need for more R & D has been amply documented by the Science Council of Canada and many other organizations including the Federal Government itself. The major locale of R & D in this country is not the private sector. Rather, it is the publically-funded post-secondary education system. As the government is well aware, the U.S. branch plants are not interested in carrying out research and development in this country. It is usually only when they are offered subsidies by government that they agree to conduct research in Canada. And, when the research has been completed, the parent company usually ends up with ownership of the patent.

Shifting Research and Development expenditures from the universities to the private sector will result in the loss of vital skills and research capacity. It will also result in a loss of jobs. And it will further exacerbate our problems as a branch plant economy because the public will no longer be in control of the end results of the research expenditures even though they have paid the costs.

As we have indicated elsewhere in our submission, cuts in post secondary education will exacerbate regional disparities. They will also increase unemployment especially in regions which are already suffering disproportionately from this social problem. And they will result in the denial of opportunities for learning and further skill training to tens of thousands of Canadians.

We do not deny for a moment that there are problems with our post secondary institutions. We recognize that access especially at the university level is denied to the majority of working people. We recognize that the benefits accrue disproportionately to those in higher social classes. But the solution to these problems lies not in dismantling our post secondary educational institutions, but rather in changing their policies such that they are more responsive to the needs of the working people of this country. For these reasons we condemn, in the strongest possible manner, the cuts outlined by the Federal Government.

### XI MUNICIPAL FINANCES ARE BEING IGNORED

Although many issues have been raised in the discussion of Federal-Provincial transfers, we believe that the very real financial problems of municipal governments have not been given adequate attention. Municipal governments are charged with the responsibility of delivering a wide range of social services. They also have responsibility for important social programs such as day care. Regulation of municipal governments falls largely within provincial jurisdiction. But the Federal Government has acknowledged that it has a responsibility to ensure that all Canadians have adequate social services. This responsibility has been reflected in the development of various programs under the Canada Assistance Plan.

The reason municipal governments require assistance is clear: they do not have the financial resources, that is the taxing ability to raise the funds necessary to pay for the services they are expected to provide for local residents. Their one major source of independent funding - the property tax - is regressive, inequitable and subject to severe political constraints. Approximately half the money spent by municipalities comes from other levels of government in the form of transfers. Because provincial governments do not get public credit for municipal programs, they have been tempted to chop transfers to municipalities whenever cutting efforts are being made. The increasingly tight-fisted policies of provincial and federal governments means that municipalities are failing to receive funds adequate to fulfil their service obligations to the public.

For these reasons the level of municipal services in this country is significantly inferior to that of most Western European



counties. Major social needs are still not being met because municipal governments are starved of the funds necessary to develop adequate programs. We do not have adequate services for the elderly such as meals on wheels, home visitations, sheltered housing and a wide range of other services. We are not meeting our obligations to the disabled. Many disabled people are left to the care of private charities even though these organizations cannot provide systematic or comprehensive assistance. We lack adequate facilities to assist single parents, children requiring care and many other needy groups. And our day care facilities are nothing short of scandalous considering the real needs of children across the country.

In the early 1970's, when the Canada Assistance Plan was first being developed, there was extensive discussion of the Federal Government taking on a much larger role in providing financial assistance to such services. Unfortunately many of the ideas considered at that time were never implemented or implemented only in a half-hearted manner.

One example will serve to illustrate our point. Under the Canada Assistance Plan, the Federal Government provides subsidies for day care. These subsidies are based on assessment of the financial needs or income levels of the parents. (There are two basic options which provinces can choose). However, Federal financing is restricted to subsidizing low-income parents. It does not provide resources to build day care centres. Nor does it provide assistance to children whose parents fail to qualify for the subsidy because their incomes are too high. Consequently, only a tiny fraction receive subsidies.

The Canada Assistance Act also allows the provinces to be the gate-keepers who determine whether municipalities are allowed funds for this service. Thus municipalities who want day care (even under the present tight fisted system) can find their desire frustrated by provincial governments who do not wish to contribute their share of the cost. Moreover, because the municipalities are so strapped for funds and so dependent upon provincial government assistance, it is almost impossible for them to find the resources to pay for this service themselves.

Thus while the C.A.P. theoretically provides a means for encouraging the development of day care across the country, the system has been set up in such a way that the provincial governments can effectively prevent the growth of our day care system. Many parents who could qualify for C.A.P. assistance are not able to because the provinces have not ensured that sufficient centres have been established to meet the need.

In terms of broader social policy, what the Federal Government has allowed to develop is the very patchwork quilt of services which it claims it opposes. Citizens in some regions have access to day care and other social services while those in other areas are denied access. The system promotes inequality among Canadians because it lacks any mechanism for ensuring that national standards are applied across the country.

Although the Federal Government has repeatedly claimed that it is opposed to a checkerboard system of social and public services, it has failed to provide the leadership necessary to prevent the uneven development of services across the country. Given the obvious

lack of financial resources at the municipal level of government, we believe it is the responsibility of the Federal Government to ensure that cost sharing arrangements are negotiated with the provinces to overcome this deficiency.

The social needs of ordinary Canadians - needs which were recognized in the original discussions of C.A.P. and other social welfare programs - are no closer to being satisfied now than a decade ago. The present economic climate of cutbacks has actually reduced the standards of many services. Instead of cutting social welfare programs such as the C.A.P. in order to provide more hand outs to big business, we believe that more funds are desperately required to bring these services up to an adequate national standard.

Perhaps we should put this more strongly. We believe that the present level of social services provided at the municipal level is totally inadequate in light of the very real needs of the disabled, the elderly, pre-school children and other groups. If we are going to have a decent and civilized level of social services, it is incumbent upon the Federal Government to develop mechanisms, both financial and constitutional, to ensure that these services are provided.



## XII INEQUALITY WILL INCREASE

The Canadian Union of Public Employees is also concerned that the Federal Government's budget proposals will lead to an increase in inequality in our society. This is because most of the services earmarked for cuts are provided on a universal basis to all Canadians, regardless of income. The fight to achieve medicare, hospitalization, subsidized post secondary education, day care and many other social services was a fight to reduce disparities in the actual living conditions of Canadians and to ensure that working people were not denied services because they lacked the income to purchase them.

The goal of universal access to high quality public services is fundamental to the maintenance of a decent and civilized society. When it is coupled with a vision of national standards which ensure that citizens in every province have a similar level of service, the result is to equalize the quality of public services received by all citizens regardless of their area of residence, income, ethnic origin or any other factor.

Public services such as medicare, hospitalization, day care, and post secondary education have redistributive effect especially if they are financed through progressive taxation. While we do not believe that our tax system is fair - workers pay too much while corporations and rich individuals pay too little - the fact is that transferring resources from public services to the private sector will increase inequality and impose great hardship on those least able financially to bear it.

XIII NATIONAL STANDARDS MUST BE MAINTAINED

On a number of occasions, representatives of the Federal Government have underlined their concern to prevent the development of a "checkerboard" pattern of public services in this country. One of the most forceful arguments supporting the view that the cost sharing arrangements should be re-negotiated is that the provinces have failed to maintain their share of the costs of the various programs under the Established Programs Financing agreements and the Canada Assistance Plan.

In our view, Canada's educational, medical, hospital and social welfare programs are being subjected to the most significant attack in their history. What clearly emerges from our analysis of the discussions concerning the future of the Canada Assistance Plan and the Established Programs Funding arrangements is the threat to the standards of education and social welfare as we have come to know them in this country. Unfortunately the basic needs of Canadians are being submerged in the conflict between Federal and Provincial governments over who is to obtain the credit and pay the costs of these basic programs.

We believe that the Federal Government has a responsibility to ensure that national standards are maintained. A worker in Cape Breton should have access to the same quality of medical care, hospitalization and other services as one in Montreal, Vancouver or Moose Jaw. Where the provinces have failed to provide the financial assistance required to maintain such standards, we believe the Federal Government

should take steps to facilitate such compliance. We do not see it as our task to provide a detailed blueprint for how this should be done. However, considering the amounts of money which the Federal Government is presently contributing, we believe it would be difficult for the provinces to argue that they have no obligation to maintain national standards.

Unfortunately, what we see occurring is the development of an attitude on the part of the Federal Government that it will simply withdraw from certain areas of funding. Rather than attempting to pressure the provinces into restoring the money which they should have been placing in these programs, it has been concentrating on finding ways to reduce its total spending obligations.

The conflict between the provinces who wish to have federal funds and tax points given with no strings attached so that they can use the money for other purposes and the Federal Government which is no longer willing to fund programs without getting full public credit for its expenditures is creating a situation where both levels of government will withdraw support for these programs, using the policies of the others as their excuse for reducing expenditures.

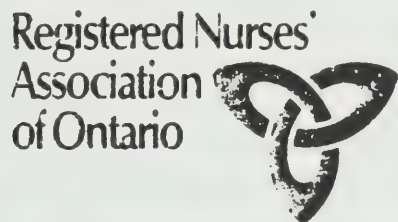
We agree with the Federal Government that money transferred to the provinces under the E.P.F. program - particularly for post secondary education should not be used for other purposes. But the way to avoid this misuse of funds is to establish clear guidelines on how the transfers will be spent rather than trying to eliminate the transfers themselves.



### RECOMMENDATIONS

1. An immediate restoration of the proposed \$1.5 billion reduction in social affairs spending announced in the October, 1980 budget.
2. A fundamental shift in government spending priorities away from handouts to business. Preference should be given to expanding social and educational programs.
3. A surtax on the profits of corporations to restore to historical levels their share of federal government revenues.
4. The establishment and implementation of national standards in health care, post-secondary education and social services. Federal Government financial assistance should be contingent upon the provinces and municipalities demonstrating that they are prepared to pay a fair share of the costs of maintaining such standards.
5. The re-negotiation of the E.P.F. such that those provinces (e.g. Ontario) which have used the tax points and cash received from the federal government for purposes other than post-secondary education, medicare and hospital insurance are forced to restore their contributions to these programs.
6. The elimination of double-billing by Doctors through restrictions on federal aid to provinces which allow this practice.
7. The Federal Government should also negotiate new arrangements for hospital funding with the provinces with the view to abolishing the insurance premiums currently paid in Ontario, Alberta and British Columbia.
8. The federal government should implement, in consultation with the provinces, a universal denticare system covering all Canadians. Like its predecessor Medicare, it should be funded on a cost-sharing basis with clearly-defined national standards.
9. The federal government should introduce a National Pharmacare program as part of the financing of Extended Health Care.
10. Establishment of a Royal Commission to study Fiscal Relations between the provinces and the Federal Government in the area of Post Secondary Education. The Commission should have the mandate to examine the social and economic costs of cutbacks in spending in this area.

11. Establishment of a Royal Commission to study the field of social services administered under C.A.P. and other cost sharing programs with the view to developing a fair and comprehensive system of services across the country. The Commission should also be requested to make recommendations concerning how to prevent provincial governments from frustrating the growth of needed services such as day care.



APPENDIX "FISC-27"

SUBMISSION  
TO  
PARLIAMENTARY TASK FORCE  
ON  
FEDERAL/PROVINCIAL FISCAL ARRANGEMENTS

May 1981



## INTRODUCTION

The Registered Nurses' Association of Ontario represents the professional interests of nurses in the province and is a voluntary organization with a membership of approximately 15,000. Its activities include the identification of health care issues particularly as they relate to nursing and the bringing of them to the attention of government, the public, and the nursing profession; the identification of problems and the participation in activities related to nursing education and practice; the collaboration with other disciplines and groups on matters of mutual interest and concern; and the provision of educational opportunities and counselling services to assist members to carry out their professional responsibilities in the various settings and situations.

In 1962, RNAO submitted a brief to Canada's Royal Commission on Health Services and to the Health Services Review in 1979. Nurses appreciate this opportunity to provide input to the Parliamentary Task Force on Federal/Provincial Fiscal Arrangements. As nurses constitute the largest health discipline group in Ontario, RNAO takes seriously its responsibility to influence the present and future course of health care and its funding.

In January, 1980 RNAO developed a Position Paper on Health Care Costs. That paper grew out of the Association's concern about the number of physicians opting out of the Ontario Health Insurance Plan and the effect of that action on access to health care. However, although it was prepared for a narrower focus, RNAO's feeling is that the relevance of its content to this Task Force makes it an appropriate submission.

We shall use the recommendations of the Position Paper as the basis of our presentation today. We shall refer to the position paper as background data and expand on its content where we feel that is necessary.

We wish, at the outset, to express our strong support of Putting Health Into Health Care, the Canadian Nurses Association submission to the Health Services Review, 1979. The philosophies expressed in that document, the specific examples given, and the suggestions for change are in accordance with RNAO's own beliefs and, in our opinion, merit serious attention and consideration to this Task Force.

Traditionally, the health care system has been directed by physicians and is perceived by the public as revolving around physicians. In the past, this approach has seemed to be successful. Progress has been significant in the areas of disease control, technological developments and provision of active treatment facilities. To question the importance of such advances to the quality of care available to the public would be naive. However, an expensive illness-oriented system has evolved which is essentially curative rather than preventive in its approach. RNAO believes that it is now timely to adopt a health focused approach which incorporates the four elements outlined by Lalonde in A New Perspective on the Health of Canadians which are based on the premise that health care consumers have the right and responsibility to make decisions regarding their health behaviour and health care.

Health and illness are affected by multiple factors such as self care practices, stress, genetic makeup, and environmental conditions. We believe that to assist consumers in recognizing and controlling these factors, health care providers must utilize more consciously health promotion techniques such as planned health education approaches and the adoption of a more aggressive advocacy role.

RNAO is pleased with the recent decision by the Ontario Ministry of Health to include a requirement for health units to provide programs in personal and family health, most of which are health promotional in nature, in the proposed public health legislations. We see this as a positive step in the recognition of the need for preventive services aimed at the individual citizen.

The changes in health care over the past decades have been rapid. New technologies and modes of treatment have developed, people are living longer, some diseases have been controlled and eradicated, others have emerged. Many of the problems are lifestyle related and are problems over which individuals and communities have some measure of control.

Not only have health problems changed but so have attitudes of society. Consumers are increasingly willing to accept more responsibility for their own health and are demanding more say in their health care. As problems and attitudes change, so must approaches to health care delivery. Different uses of health personnel, alternatives to traditional solo physician practices, strategies for health promotion, and a change in funding arrangements all must be part of the planning of health care for the future.

#### COMMUNITY SERVICES

RNAO has expressed its concern repeatedly about the disproportionate allocation of funds to the active treatment sector. Historically, government has provided the major portion of funds to health services with an institutional base and although lip service has been paid to shifting more funds to community services, this has been slow in happening. Although we recognize that in recent years increased funding has been made available for the development of home care services, little planning has gone into the consequences of the change of approach on community resources, both physical and human. Additional background support services such as homemaking, meals and transportation are necessary. Patients are discharged from hospital earlier and complicated treatment technologies are moving into the community. Community nursing services particularly have to respond to this change and the result has been a need to sacrifice some of their primary promotional activities in favour of disease monitoring and crisis intervention.



RNAO supports and urges the adoption of the philosophy of caring for patients in the community rather than in institutions whenever possible. However, we would warn against the reducing of numbers of hospital beds before communication patterns are established between the institutions and community agencies and appropriate community services are operative.

#### NURSES AS PRIMARY CARE WORKERS

It is RNAO's belief that primary care nurses have a particular contribution to make to the provision of health care. Their health oriented approach, their combination of skills in clinical practice, and their ability to co-ordinate family health and act as consumer advocates, combine to provide a service previously unavailable to the public. However, restrictions to practice continue to plague nurses in this area although restrictions vary with geographical location and the availability of physicians.

Although it is not a new problem, RNAO consistently has received reports of dissatisfaction of nurses working in northern isolated areas. The physical conditions often are described as grossly substandard and threats to nurses' physical safety are not uncommon. In addition, backup consultants and support services are said to be inadequate. The north is one area where there is acceptance of primary care nurses in practice, probably because it is difficult to recruit physicians. However, for the same reasons physicians do not wish to practise in the north, nurses are reluctant to do so. Incentives will have to be considered very seriously if this area of the province is to be serviced adequately.

Two major barriers to optimum use of primary care nurses are the so called "delegation of medical acts" and method of payment. In our view, if the primary care nurse follows generally accepted standards of nursing practice and is specially prepared to perform expanded role functions, she is engaged in the practice of nursing. In regard to remuneration, we believe that nursing services should be reimbursed under the provincial health insurance plan.

### NURSES AS POINTS OF ENTRY TO THE HEALTH SYSTEM

RNAO believes that a system that permits the physician to be the only point of entry to health care is neither cost effective nor efficient. Under such an arrangement, use of expensive curative services is encouraged when often what is needed is some assistance with health management or referral to an alternative support service. This is a role for which physicians are ill-prepared and often reluctant to perform. Nurses already work very effectively as points of entry to the system in areas such as occupational health and public health. They are ideally located to identify existing and potential problems and to assist patients/clients in planning for their resolution.

### MATERNAL/CHILD HEALTH SERVICES

In our recent response to the report A Regionalized System For Reproductive Medical Care in Ontario produced by the Advisory Committee on Reproductive Medical Care for the Ministry of Health, RNAO expressed its concern about the emphasis on the provision of services and the facilities for high risk pregnant women. Without condemning the importance of sophisticated techniques and treatments to deal with mothers and infants at high risk, RNAO believes that efforts to reduce perinatal mortality and morbidity must also include plans for health promotion programs and primary illness prevention. As well, more birthing opportunities, that are more homelike in nature and that include minimum intrusion, should be made available to care for normal and healthy pregnancies. RNAO supports the utilization of qualified nurse midwives with the proper support and referral services.

The nurse's role in monitoring the growth and development of infants and children, in counselling, and in the screening and management of minor disorders, has been demonstrated to be both cost efficient and effective. We share the Canadian Nurses Association's concern about epidemiological problems in this age group. In relation to communicable

disease, we support the utilization of nurses in the administration of immunization. We also share CNA's concern about adolescent pregnancies and their influence on family life, education, and employability for these young women and strongly emphasize the need for education of parents, children and professionals in the areas of family life and sexuality.

#### CONCLUDING COMMENTS

In the past year, we have begun to receive feedback about a shortage of nurses in the province. In particular, the RNAO employment referral service has documented many more available positions compared to the same time last year. We see this problem as being a serious one as we project the need for nursing services into the future. There is a rapidly growing elderly population in the over 65 age group. Mentally and physically handicapped are relocating from the institution to the community. Occupational health services are expanding. Active treatment, in its complexity, is requiring a lower nurse/patient ratio. All of these trends suggest a need for more nursing personnel.

Although undocumented, informal feedback indicates a continuing trend for nurses to choose the more highly technical settings over the community, where nurses are expressing frustration about the factors we have discussed such as access to the system, allocation of funds, restrictions to practice and organization of services. Therefore, to provide a more equal distribution of nurses throughout the system, incentives are needed to make community nursing more attractive. Government as a service provider must address and resolve these problems if the total needs of the community are to be met successfully.

RNAO has appreciated the opportunity to declare itself publicly on its beliefs and concerns about the present status of health care. We hope that some changes will be effected as a result of this most timely task force.



**APPENDIX "FISC-28"**

POSITION PAPER  
ON  
HEALTH CARE COSTS

January, 1980

Registered Nurses' Association of Ontario  
33 Price Street  
Toronto, Ontario  
M4W 1Z2

\$2.00

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STATEMENT OF BELIEF

A viable and comprehensive health insurance plan, based on the principles of universality, comprehensive coverage, non-profit administration and portability of benefits, is necessary to ensure equal service and access to the entire population of the province.

In 1958 and 1969, government made the decisions to concentrate the major portion of health funds in the most expensive section of the system - - active treatment. In recent years, the necessity to restrict health spending has resulted in cutbacks in the active treatment area before alternative approaches to care have been established and viable. In many situations, community services can provide effective and more economical care. However, change in focus will require a much larger allocation of funds to the community sector, and intensive planning and co-operation on the part of relevant ministries, regional and local institutional and community health agencies, health professionals, and consumers

Changes in attitudes and behaviours by consumers and providers must occur if costs are to be controlled. Whether seeking, providing, or planning care, both groups need to identify the type and level of health personnel which is most appropriate and to consider alternatives to expensive active treatment facilities. Financial incentives are needed to facilitate the organized grouping of health and social services as an alternative to solo physicians' practice and institutional care. New approaches are required in all health care settings which are aimed at creating potential for self reliance and healthy lifestyles.

Health providers and consumers have to be knowledgeable about the issues and costs involved in the delivery of health care services. Nurses must assume a major role in assisting consumers to understand the effectiveness and value of various options in the health care delivery system.

RECOMMENDATIONS

- I. THAT INDIVIDUAL NURSES, AS HEALTH CARE PROVIDERS, BECOME MORE KNOWLEDGEABLE ABOUT HEALTH CARE COSTS.
- II. THAT, REGARDLESS OF THE SETTING, CONSUMERS BE GIVEN A CLEAR EXPLANATION OF THEIR HEALTH CARE COSTS.
- III. THAT NURSES, IN THEIR DAILY CONTACT WITH HEALTH CARE CONSUMERS, BECOME MORE AGGRESSIVE IN EDUCATING THEM TO A MORE EFFECTIVE USE OF THE HEALTH CARE SYSTEM IN RELATION TO COST, APPROPRIATENESS, AND ALTERNATIVES.
- IV. THAT BEFORE CUTBACKS ARE MADE TO INSTITUTIONAL FACILITIES, SUFFICIENT PLANNING TAKE PLACE BETWEEN THE MINISTRIES OF HEALTH, COMMUNITY AND SOCIAL SERVICES, AND LOCAL INSTITUTIONAL AND COMMUNITY HEALTH AGENCIES TO ENSURE THAT ALTERNATIVES TO CARE ARE ESTABLISHED AND VIABLE; AND THAT IN AREAS WHERE DISTRICT HEALTH COUNCILS ARE IN PLACE, THEY SHOULD PLAY A MAJOR ROLE IN THE PLANNING PROCESS.
- V. THAT THE RELEVANT MINISTRIES ALLOCATE FUNDS FOR THE DEVELOPMENT OF COMMUNITY HEALTH SERVICES TO OFFSET THE NEED TO ADMIT PATIENTS UNNECESSARILY TO INSTITUTIONAL FACILITIES FOR ASSESSMENT AND MINOR TREATMENT.
- VI. THAT THE RELEVANT MINISTRIES MAKE FUNDS AVAILABLE TO ENCOURAGE THE ORGANIZED GROUPING OF HEALTH AND SOCIAL SERVICES AND THAT FUNDING BE ON A GLOBAL BASIS.



- VII. THAT NURSES LOBBY GOVERNMENT TO REQUIRE THAT PHYSICIANS INFORM THEIR PATIENTS, PRIOR TO CONSULTATION, OF THEIR STATUS WITHIN THE ONTARIO HEALTH INSURANCE PLAN AND OF ANY DIFFERENTIAL BETWEEN THEIR FEE AND THE OHIP RATE.

Elaboration of the Statement of Belief and the Recommendations appears in the following appendices.

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## APPENDIX I

HEALTH CARE FUNDING IN ONTARIOA. BACKGROUND

In May, 1962, in a brief submitted to Canada's Royal Commission on Health Services, RAO recommended:

"THAT complete health care be made available to all Canadians regardless of their financial condition."

During the presentation of the brief, RAO added:

"It is our belief that, in the Province of Ontario, there should be a system of prepayment of comprehensive health care on a voluntary basis with a subsidy for those who are unable to carry the necessary insurance. Any proposed alternative would need study by the Association before an adequate opinion could be reached."

Nearly two decades later, Ontario's Health Insurance Program is under fire. At the program's inception, federal and provincial governments chose to fund the most expensive health services in the system (hospitals and physicians) before alternatives were considered. Now, increased costs have resulted in bed closures in health care institutions and staff reductions in all health care settings. Physicians are opting out of the provincial insurance program, an action which seriously undermines the concept of universality.

Ontario joined the federal medicare program in 1969. Prior to April 1, 1977 the amount the federal government paid for hospital and medical services depended on the costs of the

provincial plans. This arrangement was unsatisfactory to both levels of government; the federal government needed to keep up with increased costs and, if the provinces decreased their costs due to efficiency or a change of priority, they received decreased funding.

#### B. CURRENT SITUATION

A new federal/provincial relationship was legislated in 1977 and still exists as follows:

1. The federal government continues to make a direct cash payment, but at a rate below that in effect before April 1977.
2. The federal government has reduced its personal and corporate tax rates so provinces can raise their rates.
3. The federal government makes a separate direct payment for nursing homes, home care and ambulatory services.

Since these changes in 1977, wage and price controls have been removed and provinces have become more sensitive to health care costs.

Ontario's health care system, then, is partially supported by federal and provincial taxes and by premiums (which amount to approximately 23% of the total cost of the system). Premiums are paid on a voluntary basis, or by mandatory payroll deduction by employers of 15 or more people.

Physicians in Ontario have two schedules for fees; the schedule set by the Ontario government in consultation with the Ontario Medical Association as reimbursement for services to patients covered under the Ontario Medical Health Insurance Plan (OHIP), and the schedule set by the Ontario Medical Association, which

as of January 1979, is approximately 30% higher than the former. Physicians can accept the OHIP fee as full payment or opt out of OHIP and charge more. In the latter situation, the physician bills the patient directly and either submits, or has the patient submit, the bill to OHIP for partial payment.

Although physicians are the largest group receiving fee-for-service payment through OHIP, there are some other health professionals in private practice whose services are supported, for example, chiropractors, optometrists and chiropodists. In addition there is another group whose services are subsidized when their services are given as a result of a physician referral, for example, physiotherapists, psychologists, and nurses who deliver services within home care programs.

Many of the health care services in Ontario are still largely privately funded, for example, dental care, drugs, ambulance services, appliances (e.g. wheelchairs), cosmetic surgery, psychotherapy and nursing homes. In recent years, many of these services have become negotiated benefits through collective bargaining.



## APPENDIX II

ALTERNATIVE FUNDING POSSIBILITIES\*

The following section briefly describes the various options which are available for funding health care services.

A. UTILIZATION CHARGES (user fees)

User fees are recommended by many as a suggested deterrent to unnecessary use of health services.

There has been little evidence that there has been a significant reduction in cost or utilization where there is direct charge for hospital use. Hospital costs do not vary in direct proportion to use.

It is possible that direct charges would reduce use of physician services. The burden, however, falls on those who can least afford the additional costs - - the sick and the poor. Physicians who argue that a user fee would not affect universal access, and that care would never be denied, ignore the reality of the effect of the "means test", however informal, on human feeling. Charity medicine does not sit well in today's climate of equal opportunity.

\*For a thorough discussion and analysis of the material in this section see:

Berer, L.L., Evans, R.G. and Stoddart, G.L. "Controlling Health Care Costs by Direct Charges to Patients: Snare or Delusion?"  
(Toronto: Economic Council, 1979) pp 25-96.

## B. CO-INSURANCE

Co-insurance requires a patient to pay a percentage of all costs incurred on his behalf. This method, however, encourages the development of private insurance plans to close the gap left by reduced public funding. Patients would have to be induced to use less care and be sensitive to prices in making decisions about health care use in order to reduce rather than shift the cost of health care.

## C. DEDUCTIBLES

This method is an alternative to co-insurance and requires the patient to pay a predetermined portion of the bill and the insurance covers the remainder. While reducing the administrative cost of handling small insurance claims, this system penalizes low and infrequent users. In relation to hospital use, a low deductible would quickly be exceeded by each patient admitted and a high one would impoverish users.

## D. PER SERVICE CHARGES

This approach requires the patient to pay a flat rate on certain types of service. Generally the deterrent rate is found to be small. In some areas, like chronic or long term care facilities, this method can be effective when a per diem rate is set at or just below the old age pension payment. In this case the purpose is not to deter but to hold down costs and reflect the fact that, for the disabled elderly, long term care is an alternative to some other domiciliary arrangement for which they normally would have to pay from their own or their family's resources. This concept can not be applied, however, to active treatment institutions where admission is episodic and patients have to retain their usual living accommodation.

E. INCOME AND INCOME TAX-RELATED OPTIONS

This system charges back to the patient a share of the health care costs which is income related. This differs from the other approaches in that it induces wealth transfer in the right direction. The uniform nature of the income and income tax linked charge plans, and the rebate schemes, impose an insignificant impact on patterns and levels of utilization. Only on wealth transfer grounds do these plans have something significant to offer.

F. MAJOR RISK MEDICAL INSURANCE

This type of insurance is analogous to automobile insurance and is generally sold by private companies who exercise no influence over the provider charges. The company reimburses the patient for all or a portion of the expenses above the limit after the expenses have been paid by the patient. This method has been shown to result in a substantial increase in costs.

G. EXTRA BILLING

This practice allows the physician to impose, at his own discretion, extra charges on the patient and is the system presently used by opted-out-physicians in Ontario. Because of the dual billing to patients and to government, this process increases bureaucratic costs and holds little appeal for cost reduction.

H. SERVICE REPACKAGING.

Repackaging allows consumers to choose between delivery system alternatives and respond to price information. Although consumers generally have free choice of providers, there is little choice of different, less costly modes of service, for example,



the health maintenance organization (HMO) which offers a package of necessary health services rather than specific items. This system has the potential for cost reduction but requires social acceptance and therapeutic equivalence to be an alternative to the presently accepted system.

## APPENDIX III

THE ISSUESA. KNOWLEDGE ABOUT HEALTH CARE COSTS1. Rights and Responsibilities of Nurses as Health Care Providers

Nurses have to be knowledgeable about the issues and costs involved in the delivery of health care services. They work in a variety of settings: institutions, homes, physicians' offices, clinics, private practice, schools, and industry and each setting generates costs to the health care system in different ways and to different degrees.

To be effective patient advocates, nurses need to ask questions about health care costs in their own communities such as:

- What are the health care budget priorities within their agency and how are they set?
- How much does their own service cost?
- What are the costs per patient day in various health care institutions?
- What is the average length of patient stay?
- Are patients admitted to the most appropriate facility?
- What alternatives are available to health care consumers which might be more economical and more effective?
- Could some patients be treated as effectively at home?
- What are consumers paying for physicians' services and by what method?

## 2. Rights and Responsibilities of Health Care Consumers

Consumers have a right and a responsibility to participate in decision-making regarding their health care. The concept of consumer responsibility is based on the premise that consumers possess adequate information about the system, its facilities, services and costs. As well, they need to be aware of the consequences and therapeutic value of various approaches to health problems.

Too often, consumers receive information about health care at a time of personal crisis when they are too vulnerable to question alternatives or costs. A broad public education program and an ongoing and concerted effort by all health care professionals is required to provide consumers with the kind of information which will assist them to make wise decisions when the need arises.

## B. ALTERNATIVES

In some situations, community services can provide more effective and more economical care than that which can be provided in an institution. If this is to happen, however, both consumers and providers will need to change many of their attitudes and behaviours.

Both physicians and patients generally are more comfortable with institutional treatment. As well, it is often more convenient for a physician to arrange institutional admission than to mobilize community resources. Before changes can be realistically expected, community health services have to be seen as a viable, credible, and accessible alternative to institutional care. To accomplish this, extensive planning and co-operation must occur between relevant ministries and



local institutional and community health agencies. District health councils can play a key role in facilitating such planning.

Historically, consumers have not questioned their physicians' choice of appropriate arrangements for care. They need to be encouraged to ask about alternative approaches and to compare the merits of each in terms of appropriateness to them and in terms of cost. Community health nurses can be of particular assistance in helping patients and families, and physicians, to look at the services which are available in their own community. Community health nurses, however, need to be more aggressive in publicizing their services and in ensuring ease of accessability.

Many people still believe that specialists provide the "best" care regardless of the health problem. Although the increased emphasis on family practice over the past few years has resulted in some improvement in this regard, there continues to be low utilization of the skills of health professionals other than physicians, particularly in the areas of primary assessment and maintenance. Many more client/family assessments could be done in the community rather than through institutional admission. Not only is this approach more economical but is often more effective and can be done with existing community health personnel. Community health nurses have highly developed assessment skills. What often is lacking in the community, however, is immediate backup consultative support from the various disciplines. A collaborative, multidisciplinary approach to home assessments and maintenance would contribute significantly in keeping patients out of institutions.

Some of the more economical alternatives to solo physician

practices, such as health service organizations or community health centres, have not always been successful. A number of factors have contributed to this. Government has not been generous in assisting such centres to remain viable. Many physicians are still not convinced of the value of multi-disciplinary practice over solo practice to the patient and, under the present fee for service arrangement, funding depends on the immediate supervision of the physician. Community health centres are seen by many as facilities for second class citizens, an attitude that is often perpetuated by a centre's impersonal, clinic like atmosphere reminiscent of the old out-patient departments. Nevertheless, health service organizations concentrate numerous services in one geographical area which, by allowing closer collaboration between the various health disciplines, promote better team work. As well, the single geographical location allows patients and clients to be seen by the appropriate health professional without excessive travelling, a saving in both time and energy.

#### C. HEALTH PROMOTION

The direct relationship of health promotion programs to health care costs has not been clearly established. Self imposed risks, however, such as excessive alcohol and drug consumption, overweight, lack of exercise, and an inability to deal with stress can be directly related to diseases of the cardiovascular system, accidents, and mental illness. These illnesses contribute to a high utilization of active treatment beds and costs the economy dearly in terms of lost manpower hours. The funding of activities and the development of strategies which create an awareness of potential for self reliance and healthy lifestyles will need to be seen as important priorities by government and health professionals.

D. OPTING OUT OF PHYSICIANS

Universal access is threatened at present by the unwillingness of one group of major providers to participate fully in the health insurance plan. The opting out of physicians currently represents approximately 20% of the physicians in the province. The argument that physicians opting out of the Plan does not limit access to care is difficult to support. Consumers have the right to choose between a physician within OHIP or without. In communities where all physicians have opted out, however, consumers lose that choice. Similarly, when a patient is referred to a specialist, the choice is usually that of the referring physician rather than the patient. Patients are frequently not informed of their physician's lack of participation in the Plan and/or discrepancy in fees until treatment is underway.

Nurses can assist consumers in understanding their rights to care under the Ontario Health Insurance Plan and can make them aware that a list of physicians currently participating in the Plan is available from the Ontario Medical Association. The Toronto telephone number is 925-3264; other Ontario residents can call toll free (800) 261-7215.



# STATEMENT ON PATIENT ADVOCACY

## REGISTERED NURSES' ASSOCIATION OF ONTARIO

RNAO believes that PATIENT ADVOCACY is an integral part of the role of the registered nurse.

The nurse's prime responsibility as a patient advocate is to educate consumers with regard to their rights and alternatives in health care. The nurse speaks for and assists the client in the attainment of these rights.

The nurse recognizes that consumers hold the major responsibility for their own health and have the right to be informed of all aspects of their health care (both preventive and curative), the right to participate in decision making effecting their health, and the right to equal access to health care regardless of their socio-economic status. The nurse accepts the responsibility to promote an environment in which the values, customs and spiritual beliefs of the individual are respected, and to initiate and support action to meet the health and social needs of consumers.

The nurse is one of many health professionals who has close contact with consumers in many settings: in hospitals, homes, physicians' offices, clinics, schools, industry and through involvement in community activities. Such contact allows the nurse the opportunity to:

- 1) identify and define health needs with consumers,
- 2) interpret alternatives and advances in health care,
- 3) inform consumers of their rights in relation to incompetent, unethical or illegal health services,
- 4) interpret consumers' health needs to other professionals and policy makers.

Many health problems, personal and environmental, can be prevented through health promotion and interpretation of available services. The nurse is in a position to create greater public awareness of the many facets of health care and health care delivery.

April 1977

MEMBERS OF TASK FORCE ON HEALTH CARE COSTS

Mary Kay Harrison, Chairman, Midtown Chapter

Mary Ford, Niagara Chapter

Catherine Keyes, Ottawa West Chapter

Roberta Rivett, Middlesex North Chapter

Sister Sheila Anne Spooner, Nipissing Chapter

Shirley Wheatley, Toronto Centre Chapter

Margaret Risk, RAO

## APPENDICE «FISC-24»

Mémoire  
soumis  
au Groupe d'étude parlementaire  
des arrangements fiscaux  
entre le gouvernement fédéral et les provinces  
à Ottawa, Ontario  
le 12 mai 1981



**L'Association médicale canadienne**



**Délégation de l'AMC:**

M. le docteur W.D.S. Thomas, Président de l'AMC

M. le docteur L. Richard, Président élu de l'AMC

M. le docteur D.L. Wilson, Président sortant

M. le docteur E.V. Rafuse, Président du conseil d'administration

M. la docteur M.A. Baltzan, Président du conseil de l'AMC sur les questions économiques

M. le docteur R.G. Wilson, Secrétaire général

M. B.E. Freamo, Secrétaire administratif

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The Canadian Medical Association

L'Association médicale canadienne

1e 12 mai 1981

MEMOIRE SOUMIS AU GROUPE D'ETUDE PARLEMENTAIRE SUR LES ARRANGEMENTS  
FISCAUX ENTRE LE GOUVERNEMENT FEDERAL ET LES PROVINCES PAR L'AMC

RECOMMANDATIONS

L'Association médicale canadienne présente ses respects au Groupe d'étude parlementaire et le prie de bien vouloir considérer les recommandations suivantes:

- 1) QUE LE GOUVERNEMENT DU CANADA, TOUT EN RECONNAISSANT QUE LES GOUVERNEMENTS PROVINCIAUX SONT LES PRINCIPAUX RESPONSABLES DANS LE DOMAINE DE LA SANTE, CONTINUE A PARTICIPER ACTIVEMENT AU FINANCEMENT DE L'ASSURANCE-SANTE.
- 2) QUE LE GOUVERNEMENT DU CANADA ET LES GOUVERNEMENTS PROVINCIAUX TRAVAILLENT EN COLLABORATION POUR REMEDIER A L'INSUFFISANCE DU FINANCEMENT DES SOINS DE SANTE AU CANADA.
- 3) QUE LA CONTRIBUTION FINANCIERE DES GOUVERNEMENTS AUX SOINS DE SANTE SOIT AUGMENTEE AFIN D'ATTEINDRE 8.2% DU PRODUIT NATIONAL BRUT EN 1985 ET, EN OUTRE, QUE L'AUGMENTATION DES PAIEMENTS PAR LE GOUVERNEMENT FEDERAL SOIT CONDITIONNELLE A DES AUGMENTATIONS APPROPRIEES DES DEPENSES DES PROVINCES DANS LE DOMAINE DE LA SANTE.
- 4) QUE LA FORMULE FPE SOIT REVISEE POUR QUE LES PROVINCES MOINS BIEN NANTIES BENEFICIENT D'UN FINANCEMENT ACCRU.
- 5) QUE LE GOUVERNEMENT RECONNAISSE L'IMPORTANCE DU ROLE DU FINANCEMENT PRIVE DANS LE DOMAINE DES SERVICES DE SANTE.

C'est avec plaisir que l'Association médicale canadienne (AMC) présente cette instance au Groupe d'étude parlementaire sur les arrangements fiscaux entre le gouvernement fédéral et les provinces. Nous soumettons ce mémoire au nom des 34,000 membres de notre Association qui regroupe la plus grande partie des médecins assurant la prestation des services médicaux au Canada.

Les termes du mandat - Le domaine du mémoire

Le mandat du Groupe d'étude s'étend à la majorité, sinon la totalité, des arrangements fiscaux entre le gouvernement fédéral et les provinces. Nous nous proposons de limiter nos commentaires aux soins de santé, domaine au sujet duquel l'Association possède une certaine expertise et quelques opinions qui, nous l'espérons, se révéleront intéressantes et utiles au Groupe d'étude. Essentiellement, nous parlerons de la loi sur les programmes établis de 1977 (FPE) et des arrangements fiscaux qui en découlent entre le gouvernement fédéral et les provinces et qui s'appliquent à l'assurance-hospitalisation et à l'assurance des soins médicaux, au programme des subventions pour les soins prolongés et, dans une moindre mesure, à l'enseignement post-secondaire. Tout en limitant sa présentation à cet aspect de vos travaux, l'Association reconnaît que le régime de financement des soins de santé FPE n'est pas lié à des programmes spécifiques et, compte tenu des conditions très générales et non-restrictives entourant l'aide fédérale aux régimes d'assurance-santé, que ce sont les provinces qui possèdent la compétence et doivent assumer la responsabilité en ce qui concerne l'administration et le financement de ces régimes. Ces derniers n'étant plus financés sur la base du partage des frais au titre d'ententes fédérales-provinciales portant sur des programmes spécifiques, toute modification aux arrangements fiscaux - et non pas uniquement celles portant sur les programmes établis - affectera inéluctablement le financement des programmes de santé par les gouvernements provinciaux.



### Une responsabilité fédérale et provinciale

Tout en reconnaissant que la responsabilité de ces programmes incombe premièrement aux provinces, plusieurs gouvernements fédéraux successifs ont joué un rôle fondamental, en termes d'orientation et d'aide financière, dans la planification et le fonctionnement des régimes d'assurance-santé. Pour ne citer que quelques exemples, le Gouvernement du Canada a joué un rôle clé dans la construction et l'équipement d'hôpitaux et de cliniques; dans la construction et l'expansion des institutions scientifiques de santé; dans la promotion et le développement de toute une série de programmes de santé. De plus, le gouvernement fédéral apporte une contribution indispensable à la recherche médicale et à la production de produits biologiques et pharmaceutiques essentiels aux soins de santé. Le Groupe d'étude connaît déjà l'importance de l'apport fédéral, grâce à la loi sur l'assurance-hospitalisation et les services diagnostiques de 1957, à l'établissement dans toutes les provinces et territoires d'un régime universel d'assurance couvrant les soins hospitaliers pour les maladies aiguës et les services diagnostiques. Dix ans plus tard, en dépit des objections des provinces, le Gouvernement du Canada fut encore le chef de file et le principal responsable, en adoptant la Loi sur les soins médicaux, de la mise en place d'un régime d'assurance des soins médicaux. Le gouvernement fédéral doit donc se voir accorder la meilleure part du mérite et assumer le plus clair de la responsabilité pour la mise en place et le financement de ces divers régimes que le public regroupe souvent sous l'expression "assurance-santé".

### L'assurance-santé - Un succès, mais aussi quelques problèmes

L'association qui s'est formée entre les gouvernements fédéral et provinciaux, les hôpitaux et le personnel de santé dans le cadre de ces régimes

n'a pas toujours été harmonieuse mais les résultats obtenus n'en sont pas moins un succès pratiquement sans égal dans ce domaine. Dans son rapport<sup>1</sup> de 1980, l'honorable Emmett M. Hall, CC, C.R., note "à l'échelon mondial c'est (celui du Canada) l'un des meilleurs programmes de santé qui existent actuellement" et l'AMC partage cette opinion; M. Hall ajoute "ce qui ne signifie pas l'absence de sérieuses difficultés et d'inégalités flagrantes. Si on ne s'attaque pas à ces problèmes sérieux et si on ne les résout pas, l'efficacité du programme pourrait grandement s'en ressentir", ici encore, l'AMC partage l'opinion de M. Hall.

Sur réflexion, l'AMC estime que le plus sérieux et le plus fondamental des problèmes rencontrés dans la prestation des services de santé au Canada est l'insuffisance du financement et bon nombre des autres difficultés fréquemment mentionnées ne sont que les conséquences de ce problème fondamental. Le rapport et les recommandations du Groupe d'étude, les conclusions que le Gouvernement du Canada et le Parlement formuleront ensuite et les décisions qui résulteront finalement des négociations avec les provinces, tout ce processus aura des conséquences profondes qui pourraient soit résoudre, soit aggraver le problème de base: l'insuffisance du financement. Le Parlement a imposé une très lourde responsabilité à votre Groupe d'étude. Bien que votre tâche soit essentiellement de nature fiscale, il ne fait aucun doute que vos décisions affecteront la disponibilité et la qualité des soins de santé à l'avenir et, dans une large mesure, le niveau de santé dont les Canadiens pourront bénéficier. La disponibilité des services de santé se voit

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1. Rapport de l'honorable Emmett M. Hall, CC, C.R., Le programme de santé national et provincial du Canada pour les années 1980, page 3.

maintenant intimement liée au tissu des arrangements fiscaux entre le gouvernement fédéral et les provinces. Invariablement, les Canadiens estiment que l'assurance-santé est le plus important et le mieux apprécié des services assurés par le gouvernement. Nous pensons que, dans ce contexte, le public donne au terme "gouvernement" son sens générique, sans différentier particulièrement le gouvernement fédéral des gouvernements fédéraux. Le grand public, à notre avis, et quelles que soient ses tendances politiques, se refuserait à tolérer des mesures qui compromettraient le fonctionnement du système des soins de santé canadien (sa qualité, son accessibilité, sa disponibilité), que cette mesure soit prise par le gouvernement fédéral, les gouvernements provinciaux, la profession médicale, ou tout autre segment de la société.

L'Association prie donc instamment le Groupe d'étude d'examiner de très près le système des soins de santé avant de recommander toute modification des arrangements fiscaux entre les gouvernements fédéral et provinciaux qui pourrait avoir des répercussions profondes sur certains composants du système ou la totalité de celui-ci. Il est essentiel de garder présentes à l'esprit les causes des points forts et des faiblesses de l'ensemble. Il faut s'assurer que la solution de problèmes secondaires, qui pourraient fort bien n'être que des irritants n'affectant qu'une partie minime du système ou de la population, ne va pas saper les oeuvres vives de l'ensemble ou aggraver encore les difficultés. Nous ne pouvons pas permettre que des difficultés imaginaires ou, si réelles, secondaires ou exagérées, viennent obscurcir les avantages présentés par les méthodes actuelles de financement ou le système même des soins de santé.



L'AMC estime que le régime d'assurance-santé du Canada est une réussite de grande envergure. Quel que soit le critère retenu, on doit constater que les soins de santé se sont considérablement améliorés d'un océan à l'autre. Comme on peut le constater au Tableau 1, les Canadiens et surtout les Canadiennes voient leur espérance de vie se situer parmi les plus élevées au monde. Prenant les 10 pays auxquels on compare le plus souvent le Canada, l'espérance de vie des Canadiens (70.2 ans) vient en quatrième place et les Canadiennes, le sexe fort, sont au deuxième rang (77.5 ans), immédiatement après les Suédoises, les seules à avoir une espérance de vie plus longue.

Tableau 1

Espérance de vie à la naissance						
Pays	1961*		1972#		1977**	
	Hommes	Femmes	Hommes	Femmes	Hommes	Femmes
Canada	68.4	74.2	69.3	76.4	70.2	77.5
Australie	67.9	74.2	67.6	74.2	67.6	74.2
République fédérale d'Allemagne	66.8	73.3	67.6	73.6	68.3	74.8
Finlande	65.7	71.6	66.6	74.9	67.4	75.9
France	67.2	73.8	68.6	76.4	69.0	76.9
Pays-Bas	71.4	74.8	70.7	76.5	71.2	77.2
Suède	71.2	74.7	72.1	77.5	72.1	77.8
Suisse	69.5	74.8	70.3	76.2	70.3	76.2
Royaume-Uni	68.3	74.1	68.9	75.1	67.8	73.8
Etats-Unis	66.6	73.1	66.8	73.7	68.7	76.5
Moyenne	68.3	73.9	68.9	75.5	69.3	76.1

\*Chiffres les plus récents disponibles cette année; s'échelonnent entre 1956 et 1962.  
#Chiffres les plus récents cette année; s'échelonnent entre 1965 et 1972.  
\*\*Chiffres disponibles les plus récents; applicables à 1976 ou 1977.

Sources: Statistique Canada, 1977 et Annuaire démographique de l'ONU

D'autre part, le taux de mortalité infantile au Canada était de 12.3 pour 1,000 naissances vivantes en 1977 (Tableau 2), alors qu'il atteignait 27.3 en 1960. C'est là un résultat fort respectable.

Tableau 2

Mortalité infantile pour 1,000 nés vivants				
Pays	1960	1965	1970	1977
Canada	27.3	23.6	18.8	12.4
Australie	20.2	18.5	17.9	14.3*
République fédérale d'Allemagne	33.8	23.9	23.6	17.4#
Finlande	21.0	17.6	12.5	12.0
France	27.4	18.1	15.1	11.4
Pays-Bas	16.5	14.4	12.7	9.5
Suède	16.6	13.3	11.0	8.0
Suisse	21.1	17.8	15.1	10.7
Royaume-Uni	22.4	19.6	18.4	14.0
Etats-Unis	26.0	24.7	19.8	15.1
Moyenne	23.2	19.2	16.4	12.5
*1975, #1976.				
Sources: Statistique Canada, 1977 et Annuaire démographique de l'ONU				

La mortalité liée à la maternité - le nombre de décès résultant directement d'une grossesse, d'un accouchement ou des suites de couches est le troisième indice épidémiologique souvent utilisé pour définir l'état de santé d'un pays. Comme le montre le Tableau 3, les soins accessibles aux femmes enceintes ont permis de réaliser au Canada des progrès impressionnants et notre taux de mortalité dans ce domaine se compare très favorablement à celui des autres pays où les conditions de vie sont comparables.

Tableau 3

Mortalité liée à la maternité Complications de la grossesse, de l'accouchement et des suites de couches (Décès par 100,000 nés vivants)										
Pays	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Canada	20.8	20.2	18.2	15.5	10.8	9.8	7.5	6.7	5.0	-
Australie	17.6	25.6	18.5	12.5	11.3	11.4	5.6	13.2	8.0	-
République fédérale d'Allemagne	53.1	51.8	50.5	42.8	45.9	35.5	39.6	36.3	34.0	25.5
Finlande	14.8	12.4	8.2	12.0	10.6	4.8	10.7	-	-	-
France	25.0	28.2	22.2	25.4	24.1	22.1	19.9	17.5	-	-
Pays-Bas	19.4	13.4	13.2	10.7	10.3	14.0	10.7	5.1	12.7	10.8
Suède	10.2	10.0	7.9	7.1	2.7	7.3	1.9	4.1	11.5	-
Suisse	29.3	25.2	27.0	21.9	18.3	11.8	12.7	8.1	4.1	18.2
Royaume-Uni	16.4	18.6	17.3	13.9	17.2	19.2	8.4	13.4	12.7	6.3
Etats-Unis	22.9	22.7	20.2	18.1	16.6	15.1	13.0	12.9	12.4	15.2
Moyenne	22.9	22.7	20.2	18.1	16.6	15.1	13.0	12.9	12.4	15.2

Source: Organisation mondiale de la santé, Annuaire des statistiques sanitaires mondiales, Mouvement de la population et causes de décès, 1980, pp 394, 395, 396.



Le Canada dispose d'installations de santé, hospitalières ou autres, très importantes. En 1966, nous avions 114,591 lits d'hôpital pour soins de courte durée, soit 5.7 lits pour 1,000 habitants, rapport qui est maintenant de 5.4 lits avec un total de 126,000 lits. Nous avons aussi vu des améliorations qualitatives et quantitatives très nettes en ce qui concerne le personnel professionnel et technique des hôpitaux et les équipements et les installations qu'ils utilisent et ces améliorations dépassent largement, à notre avis, ce qui eut été possible sans les fonds fédéraux et provinciaux fournis au titre des régimes d'assurance. Malheureusement, cette situation - disponibilité des services et leur amélioration - ne se retrouve pas dans les autres secteurs de la santé. Pratiquement toutes les collectivités souffrent d'un manque sérieux et continu d'installations pour les soins prolongés et pour les malades chroniques ainsi que d'une pénurie de maisons de santé, et de programmes de soins à domicile.

L'une des principales préoccupations exprimées en 1964 par la Commission royale d'enquête sur les services de santé concernait le manque de médecins et les difficultés que les écoles de médecine et les hôpitaux d'enseignement rencontreraient pour en former un nombre suffisant pour répondre à l'augmentation de la demande de services prévue. On comptait alors environ 25,000 médecins au Canada, soit un pour 785 habitants et les 13 écoles de médecine que nous avions alors diplômaient 736 médecins par an. Pendant plusieurs années, le Canada a beaucoup compté sur l'immigration, en provenance surtout du Royaume-Uni, mais la situation a beaucoup changé car nous avons maintenant 16 écoles de médecine qui diplôment 1,756 nouveaux médecins par an. L'immigration s'est vue délibérément réduite d'un maximum de 1,300 en 1969 à 263 en 1978, et 43,000 médecins, environ, travaillent maintenant au Canada, soit un médecin pour 558

habitants, rapport qui se compare favorablement à celui des pays dont l'économie est comparable à celle du Canada. Si certaines régions souffrent encore d'une pénurie de médecins (soit en général soit seulement dans quelques spécialités ou sous-spécialités), la possibilité d'un surplus de médecins, ce qui créerait de nouveaux problèmes, est mentionnée de plus en plus souvent. En fait, bien que nous n'en ayons pas encore la preuve statistique, les éléments de preuve anecdotiques indiquant que certaines localités ont déjà un surplus de certaines catégories de médecins sont de plus en plus nombreux. Compte tenu de certaines exceptions importantes, cette situation se retrouve dans d'autres groupes de professionnels et de techniciens de la santé.

Nos programmes d'assurance-santé sont administrés par les corps publics mais n'ont pas, cependant, dégagé le malade de toute responsabilité en ce qui concerne le paiement des soins et d'ailleurs, de l'avis de l'AMC, ne devraient pas le faire. Ils ont toutefois éliminé les conséquences désastreuses pour le malade du coût d'hospitalisation très élevé pouvant résulter d'une maladie aiguë (mais non pas nécessairement ceux qui résultent d'une maladie chronique ou de soins prolongés en institution) ainsi que le coût, pour le malade, des soins médicaux. La grande majorité des Canadiens ont donc *accès raisonnable* à tous les services médicalement requis assurés par les médecins et à l'hospitalisation en cas de maladie aiguë. Comme nous l'avons documenté ailleurs<sup>2</sup>, et contrairement aux conditions prévues par la Loi sur les soins médicaux, la rémunération des services des médecins n'a pas été *complètement transférable* et, dans bien des cas, le régime provincial n'est pas un système qui "assure une rémunération raisonnable des services assurés rendus par les médecins...".

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2. Instance présentée par l'AMC à l'examen Hall en février 1980.

Du point de vue des gouvernements, on pourrait croire que le système de santé canadien est un modèle de contrôle efficace des coûts. En fait, l'AMC se préoccupe beaucoup de cet aspect et craint que les gouvernements n'aient imposé des contraintes fiscales trop sévères au détriment des programmes. En 1966, années précédant l'entrée en vigueur de l'assurance des soins de santé, les dépenses dans le secteur de la santé au Canada représentaient 6.1% du produit national brut, pourcentage comparable à celui observé en France, Allemagne, aux Pays-Bas, au Royaume-Uni et aux Etats-Unis. Au cours de la décennie qui suivit, comme illustré au Tableau 4 et à la Figure 1, la croissance des dépenses de santé au Canada fut nettement inférieure à celle notée dans ces pays bien que la croissance de notre économie et de notre PNB fut comparable à la leur.

La progression plus lente des dépenses s'explique essentiellement par un contrôle gouvernemental des coûts plus rigide. Ceci fut réalisé en dépit de l'entrée en vigueur d'un régime d'assurance global et universel, considéré comme l'un des meilleurs et des plus complets au monde. De 1966 à 1976, les dépenses dans le domaine de la santé, au Canada, passaient de 6.1% du PNB à 6.1% seulement, l'augmentation annuelle n'étant que de 1.5%. Pour cette même période, d'autres pays enregistraient les augmentations suivantes:

- en France, augmentation de 6.1% à 8.7% du PNB, soit une augmentation annuelle moyenne de 3% supérieure à celle du PNB;
- en République fédérale d'Allemagne, augmentation de 5.6% à 9.7% du PNB, soit une augmentation annuelle moyenne de 6.3% supérieure à celle du PNB;



- aux Pays-Bas, augmentation de 5.1% à 8.5 du PNB, soit une augmentation annuelle moyenne de 5.2% supérieure à celle du PNB;
- en Suède, augmentation de 6.2% à 8.7% du PNB, soit une augmentation annuelle moyenne de 3.8% supérieure à celle du PNB;
- au Royaume-Uni, augmentation de 4.3% à 5.8% du PNB, soit une augmentation annuelle moyenne de 3.0% supérieure à celle du PNB;
- aux Etats-Unis, augmentation de 5.8% à 8.6% du PNB, soit une augmentation annuelle moyenne de 4.0% supérieure à celle du PNB.

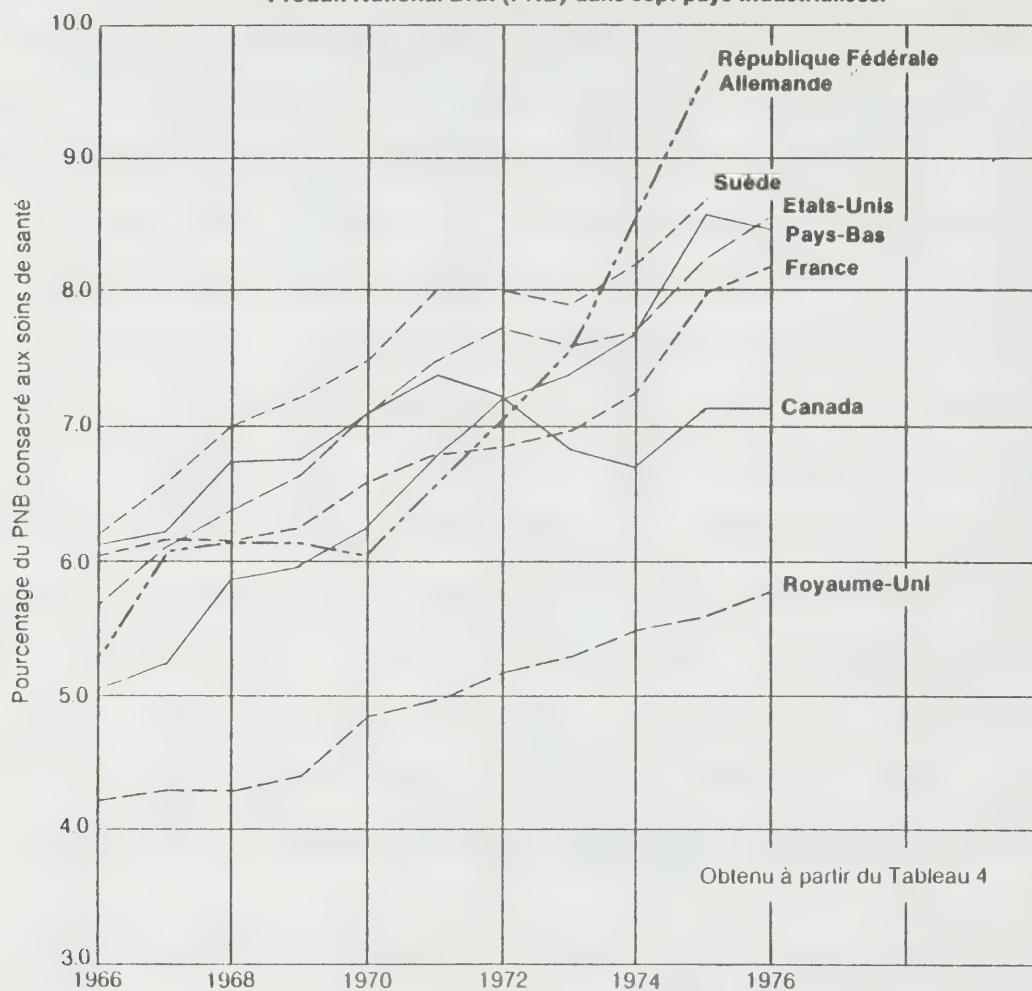
Les données confirmées les plus récentes révèlent que les dépenses pour soins de santé aux Etats-Unis atteignaient 9.1% du PNB en 1978. Au Canada, les dépenses dans ce secteur sont tombées à 7.04% du PNB en 1977, sont demeurées à ce niveau en 1978 et se sont légèrement redressées en 1979, passant à 7.14% du PNB, selon les chiffres préliminaires<sup>3</sup>. Il est donc clair qu'en termes de la progression de la part du PNB consacrée aux dépenses de santé, le Canada n'a pas suivi la tendance que l'on constate dans des pays comparables. Ceci revêt une importance critique car la croissance du pourcentage du PNB consacré à la santé reflète le coût de la mise en pratique de nouvelles procédures et méthodes et autres améliorations apportées aux systèmes de soins.

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3. Les données non-publiées préparées par le Ministère fédéral de la santé et du bien-être social indiquent que des revisions ultérieures des données sur les dépenses au Canada donnent des pourcentages du PNB légèrement supérieurs pour 1975 et les années suivantes. Comme, toutefois, on retrouve 7.14% du PNB pour 1979, ces variations n'entraînent pas de changements significatifs dans notre analyse ou nos projections.

Dépenses consacrées aux soins de santé, exprimées en pourcentage du produit national brut (PNB) dans sept pays industrialisés							
Année	France	RFA	Pays-Bas	Suède	R.-U.	E.-U.A.	Canada
1966	6.1	5.6	5.1	6.2	4.3	5.8	6.1
1967	6.2	6.1	5.3	6.6	4.4.	6.2	6.4
1968	6.2	6.2	5.9	7.0	4.4	6.5	6.6
1969	6.3	6.3	6.0	7.2	4.5	6.7	6.8
1970	6.6	6.1	6.3	7.5	4.9	7.2	7.1
1971	6.8	6.6	6.8	8.0	5.0	7.6	7.4
1972	6.9	7.1	7.2	8.0	5.2	7.8	7.2
1973	7.0	7.6	7.4	7.9	5.3	7.7	6.8
1974	7.3	8.5	7.7	8.2	5.5	7.8	6.7
1975	8.1	9.7	8.6	8.7	5.6	8.4	7.1
1976	8.2	-	8.5	-	5.8	8.6*	7.1
Ecart (en %)							
1966-76	34.4	73.2	66.7	40.3	34.9	48.3	16.4
Taux moyen an. d'augmentation (%)							
	3.0	6.3	5.2	3.8	3.0	4.0	1.5
Source: Joseph G. Simanis et John R. Coleman, "Health Care Expenditures in Nine Industrialized Countries, 1960-76", <u>Social Security Bulletin</u> Vol. 43, Issue No. 1, Jan. 1980 (publié aux E.-U.A.)							
*Les données disponibles indiquent que la croissance des dépenses se poursuit aux E.-U.A. pour 1977 (9.0%) et 1978 (9.1%)							

**Dépenses pour les soins de santé, exprimées en pourcentage du  
Produit National Brut (PNB) dans sept pays industrialisés.**



**Tableau 4 — Fig. 1**



Il est évident qu'on ne saurait attribuer au seul gouvernement fédéral la responsabilité de l'insuffisance des dépenses nationales dans le domaine des soins de santé. En fait, les versements du gouvernement fédéral aux provinces au titre de la santé augmentèrent de 14.7% en 1978 - la première période de 12 mois complets sous le régime FPE - alors que le PNB n'avait augmenté que de 10.0% au cours de cette année. Pendant cette même année, 1978, le total des dépenses de santé au Canada ne s'étaient accrues que de 9.8% et donc à un taux inférieur à celui du PNB. En 1979 nous notons à nouveau que l'augmentation des versements fédéraux (14.0%) fut supérieure à celle du PNB (13.0%), mais, bien que les chiffres définitifs ne soient pas encore disponibles pour 1979, les données préliminaires indiquent que le total des dépenses de santé n'enregistra qu'une augmentation nominale en pourcentage du PNB, passant de 7.04% à 7.14%. Il ressort de ces chiffres que les provinces doivent assumer le plus clair de la responsabilité des contraintes imposées aux dépenses de santé en 1978 et 1979. Les augmentations des paiements effectués par le gouvernement fédéral au cours de ces deux années devaient, en principe, correspondre à une réduction des dépenses des provinces dans le domaine de l'assurance-santé et permettre des dépenses provinciales plus élevées en faveur d'autres programmes de santé; les données disponibles suggèrent cependant que les provinces n'ont pas affecté la totalité de ces fonds aux services de santé.

La contribution versée par le gouvernement fédéral aux provinces en 1980 enregistrait une augmentation de 10.7%, exactement celle du PNB qui augmenta aussi de 10.7% en 1980. Ceci n'est guère surprenant puisque la formule FPE exige que les versements du gouvernement fédéral en 1980, 1981 et 1982 suivent exactement l'évolution du PNB. Il en découle que, pendant cette période, le gouvernement fédéral ne contribuera pas à l'amélioration du système par des versements accrus, ce dont il porte la responsabilité.

Les nouveautés et les progrès dans les soins de santé ont touché l'ensemble du pays et, par leur nombre et diversité, affecté toute une gamme de disciplines médicales et de maladies. Les espérances de vie sont plus longues, ce qui est important, mais il est tout aussi important, bien que plus difficile à démontrer, de noter l'amélioration du niveau de santé des Canadiens - de la qualité de leur vie - due aux innovations médicales, à l'amélioration des soins et à une meilleure prestation des soins de santé. Si vous nous le permettez, nous voudrions présenter quelques exemples, pris dans divers domaines, de l'évolution des soins médicaux au cours des 20 à 10 dernières années - période correspondant à l'évolution de l'assurance-santé - et expliquer brièvement les conséquences de ces nouveautés sur la qualité et le coût des soins reçus par les Canadiens.

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#### Présentation audio-visuelle

Quelques exemples, choisis au hasard, d'importants progrès dans le domaine des services de santé

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La recherche médicale va certainement aboutir sur de nouvelles découvertes, de nouveaux progrès et de nouvelles améliorations de la qualité des soins.

#### L'accroissement des coûts est inévitable

Ces progrès et les programmes en cours ont, de toute évidence, des conséquences importantes sur le coût des services de santé. En effet, les innovations mettent souvent en cause des technologies de pointe très coûteuses en termes d'investissements et de frais d'exploitation et qui demandent la présence d'un personnel plus nombreux, mieux formé et plus coûteux. La main d'oeuvre est souvent le facteur le plus important dans les activités manufacturières et le secteur des services, et c'est certainement le cas pour les soins de santé.

Les hôpitaux consacrent plus de 75% de leur budget aux frais de personnel et les dépenses d'hospitalisation constituent plus de 50% du coût total des services de santé. La pratique médicale privée, les soins, sont essentiellement des services et le personnel y est le facteur clé. Si les progrès réalisés prolongent les espérances de vie et améliorent la qualité de celle-ci, ils se traduisent aussi souvent par des soins plus extensifs et une période de traitement plus longue et plus coûteuse. Les coûts augmentent très rapidement quand une nouveauté s'intègre à la pratique courante et que son emploi se généralise, couvrant un pourcentage plus important de la population. L'accroissement de la population contribue aussi à l'augmentation globale des frais, surtout quand cette croissance se situe parmi les groupes d'âge supérieurs (pour lesquels la demande de soins est supérieure à la moyenne) tant en chiffres absolus qu'en pourcentage de la population totale. D'autre part, les barrières économiques qui pourraient soit restreindre la demande soit limiter les prestations sont négligibles ou inexistantes. Implicitement sinon explicitement, le gouvernement a assuré les Canadiens qu'ils avaient le droit d'obtenir en quantité illimitée tout ce que la science médicale pouvait offrir. Les attentes du public en termes de la qualité, de la disponibilité, de la diversité des services souhaités, sinon exigés, n'a cessé de croître. On peut observer que ce qui constitue les soins de santé selon l'opinion publique couvre un domaine de plus en plus vaste et ceci s'applique aussi à ce qui est, ou est estimé devant être, compris dans l'assurance-santé. Des augmentations des coûts importantes et continues sont donc inévitables. La mise en place de nouveaux services, une demande accrue, des prestations plus générales, etc., d'une part, et des restrictions financières très sévères imposées par le gouvernement d'autre part, ne peuvent que mener à la détérioration de la qualité des soins fournis.



Le partage des frais entre les gouvernements fédéral et provinciaux

On ne saurait blâmer l'entente de 1977 sur le financement des programmes établis de l'insuffisance du financement des soins de santé. En effet, les gouvernements provinciaux avaient déjà solidement établi cette tendance lors de la période des programmes à frais partagés, sans limite pré-établie. Au cours des dernières années, cependant, les stipulations et conditions attachées aux ententes FPE ont contribué aux difficultés. La formule de financement antérieure prévoyait que le gouvernement fédéral paierait approximativement la moitié du coût des régimes d'assurance-hospitalisation et d'assurance des soins médicaux. La contribution fédérale s'adressait à des programmes spécifiquement définis et les gouvernements provinciaux ne recevaient donc cette contribution que pour les programmes de services diagnostiques et de soins hospitaliers de courte durée et les programmes de services médicaux assurés par les médecins. Dans le cas de l'assurance-hospitalisation, la contribution fédérale était calculée comme suit: 25% du coût du programme par personne pour l'ensemble du Canada, plus 25% du coût par personne dans la province en cause, ce total étant multiplié par le nombre de personnes assurées dans la province. Cette contribution fédérale se faisait sous forme d'un virement de fonds, sauf au Québec; pour cette province, la formule négociée prévoyait le transfert de 16 points d'impôt sur le revenu et l'ajustement du montant final par paiement direct ou recouvrement. En bref, les provinces payaient les frais de l'assurance-hospitalisation et le gouvernement fédéral leur remboursait 50% de ces frais. Dans certains cas, la contribution fédérale était nettement supérieure à ce pourcentage. En ce qui concerne l'assurance des soins médicaux, le gouvernement fédéral virait aux provinces un montant égal à 50% du coût du programme par personne pour l'ensemble du Canada, multiplié par le nombre de personnes assurées

dans la province. Ici encore, certaines provinces recevaient du Gouvernement du Canada plus de la moitié des frais encourus.

La contribution versée par le Gouvernement du Canada était donc dans une très grande mesure liée au coût des programmes par personne au Canada. Les formules utilisées accordaient un avantage financier aux provinces dont les programmes étaient moins développés, ce qui leur permettait d'étendre et d'améliorer leurs services de santé.

En 1977, le principe du partage des frais entraînés par des programmes spécifiques fut abandonné en faveur de l'entente FPE. Au titre de celle-ci, la contribution du gouvernement fédéral est déterminée à l'avance et fixe; d'autre part, son montant dépend plus du produit national brut et de la politique fiscale du gouvernement que des frais encourus par les provinces au titre des régimes d'assurance-hospitalisation et d'assurance des soins de santé. L'entente élimine également des procédures administratives coûteuses, improductives et irritantes qui servaient à s'assurer du respect des critères d'admissibilité au financement fédéral dans la gestion des programmes spécifiques en cause. Finalement, les gouvernements provinciaux bénéficiaient d'une plus grande flexibilité dans le cadre de l'entente et pouvaient lancer des programmes de santé qui n'auraient pas pu bénéficier d'une aide fédérale sous le régime antérieur de partage des frais. Comme indiqué au Tableau 5, les provinces ont, dans une certaine mesure, utilisé cette flexibilité et augmenté, en valeur absolue et en termes de taux de croissance, leur aide aux programmes de santé autres que les régimes d'assurance des soins hospitaliers à court terme et des soins médicaux.

Tableau 5

Taux de croissance annuel, exprimé en pourcentage, du total des dépenses provinciales pour des programmes de santé autres que l'assurance-hospitalisation, l'assurance des soins médicaux et les soins prolongés, de 1976-77 à 1979-80					
Province	1976-77 (%)	1977-78 (%)	1978-79 (%)	1979-80 (%)	1980-81 (%)
Terre-Neuve	-4.1	-1.0	16.7	9.5	10.8
Ile-du-Prince-Edouard	24.0	7.2	6.0	0.7	32.3
Nouvelle-Ecosse	-2.1	6.7	9.7	16.3	30.3
Nouveau-Brunswick	5.2	22.5	19.3	21.7	12.7
Québec	-2.1	9.7	10.5	4.5	13.8
Ontario	8.6	9.7	24.0	9.5	8.6
Manitoba	10.3	9.8	6.7	13.5	8.0
Saskatchewan	24.1	20.5	-1.6	27.9	10.3
Alberta	-0.07	33.4	35.2	28.9	27.3
C.-B.	13.0	24.1	23.9	12.7	20.0
T.-N.-O.	146.4	-14.5	61.0	-44.2	41.5
Yukon	5.3	10.0	27.3	10.7	9.7
Moyenne	5.6	13.8	18.9	12.4	14.9
Moyenne, territoires exclus	5.4	13.9	18.8	12.6	14.8
Source: Etabli à partir de données fournies par la Section des sciences économiques de la santé, Ministère de la santé et du bien-être social, novembre 1980.					

A l'exception du Québec, toutefois, les gouvernements provinciaux se sont aussi servis de cette flexibilité pour réduire sensiblement la proportion des coûts des régimes d'assurance-hospitalisation et des soins médicaux couvertes par les revenus provinciaux, y compris, pour l'Ontario, l'Alberta et la Colombie-Britannique, les primes perçues par la province.



Tableau 6

Pourcentage du coût des régimes d'hospitalisation et des soins médicaux assumé par les provinces					
Province	1975-76 (%)	1976-77 (%)	1977-78 (%)	1978-79 (%)	1979-80 (%)
Terre-Neuve	49.5	44.4	46.7	42.9	40.0
Ile-du-Prince Edouard	41.1	38.6	44.9	30.5	26.0
Nouvelle-Ecosse	46.0	45.1	43.3	40.1	38.3
Nouveau-Brunswick	41.9	42.8	43.9	30.7	29.8
Québec	49.4	51.4	42.6	49.6	48.8
Ontario	49.4	49.7	47.6	43.5	40.0
Manitoba	47.1	46.3	47.6	41.5	40.0
Saskatchewan	41.7	42.8	44.0	39.7	36.3
Alberta	53.8	52.4	47.6	43.3	42.8
C.-B.	54.6	52.7	53.2	49.5	47.1
Moyenne	49.7	49.9	47.8	45.2	43.1
Source: Etabli à partir du Tableau 2, Le Programme de santé national et provincial du Canada pour les années 1980 - "Engagement au renouveau", l'honorable Emmett M. Hall, CC, C.R., Commissaire spécial.					

Pendant une certaine période, au moins l'un des gouvernements provinciaux a réussi à réduire la proportion des revenus provinciaux allouée aux régimes d'assurance-santé. L'entente FPE a, en fait, encouragé encore plus les provinces à contrôler rigoureusement les coûts des régimes d'assurance. Au lieu "d'empocher" de 40 à 50% seulement des réductions des coûts ou des taux de croissance des dépenses (le Gouvernement du Canada "gagnait" le reste), les provinces pouvaient maintenant "empocher" 100% des économies réalisées. Comme indiqué dans le rapport Hall (Chapitre 2, Tableau 5, page 18) quatre provinces, depuis l'entrée en vigueur de l'entente FPE, ont réduit le pourcentage du budget provincial dévolu aux dépenses de santé. A l'exception de la Colombie-Britannique, l'augmentation du pourcentage du budget provincial représentant ces dépenses fut modérée.

Pour la période considérée, 1975-76 à 1978-79, le pourcentage du produit domestique brut consacré par les gouvernements provinciaux aux dépenses de santé est demeuré stable ou s'est vu réduit.

Tableau 7

Dépenses totales consacrées par les gouvernements provinciaux à la santé et pourcentage de ces dépenses par rapport au produit domestique brut évalué pour chaque province (b)								
Province	PDB Provincial estimé (b)				Dépenses de santé - % du PDB			
	1975-76	1976-77	1977-78	1978-79	1975-76	1976-77	1977-78	1978-79
	\$millions							
T.-N.	2,134.4	2,548.1	2,847.6	2,987.8	9.8	8.9	8.4	8.9
I.-P.-E.	454.8	523.7	551.9	633.7	9.2	8.6	10.2	9.4
N.-E.	3,989.1	4,644.2	5,087.9	5,636.1	7.2	6.9	6.9	6.9
N.-B.	3,231.6	3,646.0	3,941.5	4,396.5	6.9	6.9	7.1	7.0
Québec	39,761.9	46,214.1	50,108.6	56,180.9	6.7	6.6	6.5	6.5
Ontario	66,229.7	75,975.7	82,986.2	89,940.0	4.8	4.0	4.8	4.8
Manitoba	6,966.7	7,953.4	8,498.0	9,300.3	5.9	5.9	6.0	5.7
Sask.	7,085.8	7,972.2	8,457.3	9,661.5	4.6	5.0	5.3	5.0
Alberta	18,795.5	21,405.9	24,615.0	28,128.9	4.0	4.0	3.7	3.9
C.-B.	19,053.6	22,786.2	25,439.0	27,890.7	5.2	4.8	4.8	5.1
Canada - territoires exclus	167,703.1	193,670.4	212,533.0	234,756.4	5.4	5.3	5.3	5.4
Etabli à partir du Tableau 8, Le programme de santé national et provincial du Canada pour les années 1980, l'honorable Emmett M. Hall, CC, C.R., Commissaire spécial.								

Le système des frais partagés utilisé antérieurement avait, dans une grande mesure, protégé les programmes d'assurance-santé des vicissitudes de la fiscalité provinciale. La nouvelle formule place des régimes d'assurance en concurrence directe non seulement avec les autres régimes de santé, mais avec tous les autres ministères et programmes d'un gouvernement provincial pour obtenir leur part des revenus de ce dernier. Tout en acceptant cette situation comme faisant partie de la réalité quotidienne, les médecins et les hôpitaux se préoccupent beaucoup des conséquences qu'elle pourrait avoir,

dans l'immédiat et à l'avenir, sur les régimes d'assurance-santé. Le financement des régimes affecte la qualité des soins de santé tout autant que le nombre et la compétence des praticiens. Toute décision affectant un aspect quelconque des ententes fédérales-provinciales sur le financement nous intéresse donc directement, tant sur le plan professionnel que sur le plan personnel. Des mesures qui réduiraient le niveau actuel des transferts fiscaux du gouvernement fédéral aux provinces, ou leur taux d'augmentation, rendraient le financement des programmes plus difficile et pourraient contribuer à une détérioration des services de santé.

Il semblerait toutefois que le Gouvernement du Canada envisage de telles mesures. Dans sa présentation du budget, le 28 octobre 1980, l'honorable Allan MacEachen notait:

"Les ententes fédérales-provinciales régissant le financement des programmes établis et le Régime d'assistance publique du Canada viendront bientôt à expiration. Les estimations présentées à ce titre pour 1982-83 et 1983-84 reposent sur l'hypothèse d'une reconduction des ententes actuelles.

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Financement des programmes établis (dont services sanitaires complémentaires)	1980-81	1981-82	1982-83	1983-84
Millions de \$	5,708	6,404	6,938	7,590
Variation en %	6.1	12.2	8.3	9.4

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Bien que les Affaires sociales restent de toute évidence un domaine prioritaire pour le gouvernement, comme en témoigne le fait que cette enveloppe continue de représenter, de loin, la plus forte proportion des dépenses, son taux de croissance ne sera pas aussi rapide que celui du total des dépenses. Le gouvernement se propose de réaliser des économies dans ce domaine pour contribuer à financer des initiatives



dans d'autres secteurs. En raison du caractère statutaire d'une bonne partie des dépenses considérées, on a supposé que les économies ne commenceront qu'en 1982-83. Elles devraient comporter des réductions des transferts fédéraux aux provinces, dans les domaines relevant de la compétence de ces dernières. Les économies peuvent être ré-utilisées en partie dans la même enveloppe."

L'éventualité de mesures gouvernementales en ce sens est reprise dans le Budget des dépenses pour 1981-82, Chapitre 2, 1<sup>ère</sup> partie, où nous lisons que le taux de croissance de cette enveloppe (Affaires sociales) sera cependant maintenu au-dessous du taux de croissance des dépenses totales. Comme indiqué dans le budget, les économies dans cette enveloppe seront réalisées en partie sur les contributions fédérales à des programmes de compétence provinciale et ces économies serviront à financer des initiatives dans d'autres secteurs.

Lors de son intervention devant le Groupe d'étude, le 23 avril, le Ministre des finances a confirmé à nouveau cet objectif de contrainte budgétaire et, en fait, semblait fixer le mandat du Groupe. M. MacEachen indiqua qu'aucune décision n'avait été prise quant aux composants de l'enveloppe des Affaires sociales qui subiraient une réduction de \$1.5 milliards et ajouta qu'il ne serait peut-être pas possible de réaliser des économies dans le domaine des soins de santé; ces déclarations sont encourageantes mais ne peuvent guère être considérées bénéfiques. En effet, nous sommes convaincus que même le maintien du niveau actuel de croissance de l'aide financière gouvernementale serait insuffisant.

Si le mandat du Groupe d'étude est simplement de déterminer les moyens que le gouvernement fédéral pourrait utiliser pour réduire sa contribution financière à nos programmes d'assurance-santé, il faut en conclure que le

gouvernement fédéral s'est dégagé de la responsabilité, qui est sienne, de contribuer sa juste part du financement de ces régimes. Nous avons déjà vu que, depuis 1966, le Canada accroît la proportion de son PNB dévolue aux soins de santé plus lentement que les autres pays. Traditionnellement, le Gouvernement du Canada a assumé 31.2%<sup>4</sup> du coût total des services de santé au Canada. Si la formule actuelle de financement des programmes établis est conservée, nous pouvons être sûrs que les transferts fédéraux aux provinces ne progresseront pas plus rapidement que le PNB et que, dans l'effort d'amélioration des soins de santé, le Canada augmentera son retard sur les autres pays auxquels on peut le comparer.

#### L'insuffisance du financement et ses conséquences

L'Association médicale canadienne se préoccupe beaucoup de l'insuffisance, qui est documentée, du financement du système des soins de santé. Cette insuffisance semble découler naturellement d'un ensemble de circonstances troublantes qui, d'une part, nous assurent que la demande et le coût des services ne vont cesser de croître, mais qui, d'autre part, ne nous permettent pas d'espérer que les ressources fiscales des gouvernements provinciaux permettront de financer de manière adéquate les besoins futurs. Au cours des années cinquante et soixante, pendant lesquelles nos programmes d'assurance-santé furent formulés, on prévoyait que le système serait financé essentiellement par la croissance de l'économie canadienne. Malheureusement les taux de croissance élevés que nous avons connus à cette époque ne se sont pas maintenus. La conjoncture s'est constamment détériorée au Canada pendant les années soixante-dix. L'AMC estime difficile d'accepter la conclusion,

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4. Dérivé à partir des données sur les estimations des dépenses de santé totales, par secteur, préparées par le Ministère fédéral de la santé et du bien-être social, Division de l'information de la santé; statistiques non-publiées, avril 1981.

pourtant inévitable, que nous approchons rapidement du moment où la qualité des soins dépendra non pas du niveau des connaissances scientifiques ou de la compétence technique requise pour répondre aux besoins médicaux mais, plutôt, de la position fiscale et des priorités politiques de nos gouvernements.

L'insuffisance du financement a de nombreux effets secondaires indésirables et cause des problèmes en cascade. Les gouvernements provinciaux ont imposé des contrôles rigides à l'augmentation du nombre de lits de brève occupation - qu'il s'agisse de nouvelles constructions ou de l'expansion d'installations existantes - et ont transformé, en totalité ou en partie, certains hôpitaux en institutions pour malades chroniques. Par exemple, avant 1972, l'Ontario basait sa politique dans ce domaine sur des principes directeurs prévoyant 5.0 lits de traitement actif par 1,000 habitants dans le sud de la province et 5.5 lits par 1,000 habitants dans le nord. Les médecins avaient d'ailleurs, à l'époque, mis en question la validité et la valeur pratique de ce principe, et continuent à le faire. En 1972, les chiffres furent révisés et ramenés à 4 lits par 1,000 habitants dans le sud et 4.5 lits par 1,000 habitants dans le nord. Plus tard, une nouvelle révision porta le nombre de lits prévus par 1,000 habitants à 3.5 et 4, dans le sud et le nord, respectivement. Cette réduction du nombre de lits pour maladies aiguës est officiellement compensée par une augmentation du nombre de lits pour les maladies chroniques, par les soins hospitaliers de jour, par les cliniques de diagnostic externes et par la chirurgie de jour pour laquelle l'admission à l'hôpital n'est pas requise, le malade étant soigné par les services externes ou chez lui grâce à des services médicaux mobiles ou communautaires améliorés. Nous disons "officiellement" car la réalité est toute autre.



Dans les faits, on constate un taux d'utilisation des lits supérieur au taux optimal ou acceptable et frisant la situation dangeureuse. Le manque de lits pour les malades chroniques, pour les soins prolongés et dans les maisons de santé aggrave encore le problème. De nombreuses études démontrent que de 15 à 20 pour cent des lits d'hôpitaux pour maladies aiguës sont occupés par des malades qui pourraient utiliser des installations moins coûteuses tout en étant acceptables, ou même plus souhaitables pour le patient, si celles-ci étaient disponibles. Les médecins se voient obligés de faire un choix parmi les malades qui ont besoin des services spécialisés d'une unité de soins intensifs ou de soins cardiaques mais qui doivent faire place à un autre patient dont les besoins sont plus impérieux. Les services d'urgence doivent souvent traiter un nombre de malades dépassant de 50 à 100% leur capacité normale. De nombreux patients demeurent pendant des semaines sur les listes d'attentes pour les interventions facultatives parce qu'il n'y a pas de salle d'opération disponible ou de lit vacant. Les hôpitaux, entravés par des budgets que les gouvernements provinciaux n'augmentent que marginalement, doivent s'efforcer d'économiser le plus possible. Le rapport personnel/patients est maintenu au niveau le plus bas possible et des sections entières peuvent se voir fermées pendant les congés pour des raisons budgétaires. La négociation des conventions collectives part de positions très dures, dans une atmosphère de plus en plus hostile qui détruit le moral du personnel. Les augmentations de salaires sont fixées par sentence arbitrale (qui, dans bien des cas, ne satisfait pas les employés tout en coûtant plus que prévu par les crédits budgétaires) et les grèves, légales ou illégales, sont fréquentes. Les interruptions des services hospitaliers se voient de plus en plus. L'effet cumulatif de tout ceci ne peut être que néfaste en ce qui concerne la qualité des services fournis par les hôpitaux.

### Le mécontentement des médecins et ses conséquences

Les grèves de médecins sont rares, mais ce n'est pas un phénomène inconnu (dans la Saskatchewan en 1965; les radiologues du Québec en 1965; les spécialistes du Québec en 1970; les médecins salariés du Manitoba en 1975; les médecins en cours de formation dans plusieurs localités). Nous avons aussi connu bon nombre d'autres formes d'opposition organisée telles que le mouvement massif (50%) de retrait des programmes par les médecins de l'Ile-du-Prince-Edouard en 1979, le retrait rotatif, par région, de tous les omnipraticiens du Québec en 1975, le refus opposé par le personnel médical à l'admission de patients à l'hôpital Fisherman's Memorial à Lunenburg, N.-É., en 1980, et la menace de démissions massives du personnel médical hospitalier dans la région d'Abitibi au Québec ... pour en venir à la situation du moment. La principale conséquence de l'insuffisance du financement de l'assurance des soins médicaux se trouve dans la longue série d'augmentations insuffisantes des barèmes de remboursement par l'assurance-santé. Les répercussions sur la position relative des revenus des médecins se remarque peut-être plus clairement en examinant le Tableau 8 qui retrace l'évolution des revenus des médecins et de ceux des membres d'autres professions libérales.

Tableau 8

Répertoire des déclarations imposables, pour certaines professions - Canada (1971: 100)				
Canada	Médecins et chirurgiens	Avocats et notaires	Dentistes	Comptables
1971	100.0	100.0	100.0	100.0
1972	104.1	109.8	109.8	108.7
1973	108.0	131.4	120.6	144.9
1974	112.7	153.4	137.5	165.0
1975	118.0	153.4	158.2	186.1
1976	124.7	161.0	167.8	196.5
1977	130.7	158.3	170.0	202.6
Source: Revenu Canada, "Statistique de l'impôt"				

Ce tableau indique clairement que la compression des revenus fut sélective, les autres professions libérales ayant, en générale, avancé de pair avec le coût de la vie. D'autre part, alors que les autres professions voyaient leurs rangs se gonfler de 36%, le nombre de médecins n'augmenta que de 28.5% et il est donc difficile d'invoquer "l'offre et la demande" pour expliquer les différences dans le taux d'augmentation des revenus.

Prenant 1964 comme année de base, nous notons que les revenus des trois autres groupes mentionnés plus haut se sont accrus de 179.8% alors que ceux des médecins n'augmentèrent que de 140.0%, soit un écart de 28% des revenus médicaux.

Ces résultats soulignent de façon assez dramatique la force de la position du gouvernement lors des négociations. Dans une société où les positions relatives des salaires et des revenus sont assez stables, l'importance de l'évolution relevée ci-dessus est symptomatique d'un malaise; même en tenant compte des sept années précédant 1971, le gouvernement a certainement raté le but en termes du maintien de la position relative des revenus. En termes réels, depuis 1964, les revenus nets des médecins n'ont augmenté que de 17.5%<sup>5</sup>; piètre augmentation si l'on considère que cette période couvre des années d'expansion rapide de l'économie qui a permis à la grande majorité des Canadiens d'améliorer très considérablement leurs revenus. Au cours de cette même période, les salaires industriels moyens ont augmenté de 50%, en termes réels, et le revenu par habitant, toujours en termes réels, de 86%<sup>6</sup>.

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5. Statistiques de l'impôt, Revenu Canada.

6. Statistiques Canada, Diverses publications.



Les médecins sont mécontents du fonctionnement du régime d'assurance des soins médicaux; ce mécontentement, qui n'est pas limité à l'insuffisance des barèmes, doit être décrit comme étant virulent. Il s'est manifesté lors des négociations collectives (que nous appelons la mendicité collective, tout le pouvoir de décision étant entre les mains du gouvernement) qui se sont révélées après et durement contestées; il est à la source du retrait des médecins des régimes d'assurance et des facturations dépassant les barèmes de l'assurance santé en Ontario, au Manitoba, à l'Ile-du-Prince-Edouard et à Terre-Neuve; il explique le traitement sélectif, ou groupage, des patients comme on le voit dans la Saskatchewan, au Nouveau-Brunswick et à l'Ile-du-Prince-Edouard (les médecins peuvent, au choix, facturer directement certains patients pour la totalité ou une partie des services fournis, tout en soumettant la majorité de leurs facturations au régime provincial d'assurance); il est à l'origine des facturations supplémentaires, permises en Alberta et en Nouvelle-Ecosse. La protestation la plus permanente est celle des médecins, plus nombreux maintenant, qui quittent le Canada pour les Etats-Unis. Historiquement, le Canada perd à l'émigration environ 300 praticiens par an. Ce chiffre a doublé au cours des dernières années et, en 1978, l'émigration de médecins actifs, dûment qualifiés, a atteint le chiffre record de 663.

#### Problèmes concrets à la base

Nous pensons pouvoir être plus utile au Groupe d'étude si nous parlons aussi des problèmes concrets rencontrés dans la prestation des soins de santé, plutôt qu'en demeurant dans le domaine des généralités. Nous voudrions donc maintenant présenter rapidement les difficultés rencontrées dans les programmes de santé dans les circonscriptions des sept députés qui font partie du Groupe d'étude.

Les marges de manoeuvre disparaissent

De toute évidence, dresser la liste des difficultés rencontrées ne résout pas le problème. Sans aucun doute, les normes de qualité des soins actuelles se comparent favorablement à ce que l'on peut trouver ailleurs. Le niveau de santé des Canadiens est actuellement comparable ou supérieur à celui des citoyens de pays bénéficiant d'une économie comparable. Mais si le système de prestation des soins assure ces résultats, c'est grâce aux efforts combinés de tous les professionnels de la santé et en dépit de la détérioration budgétaire du système.

L'AMC est convaincue que le système de santé canadien a épuisé ses marges de manoeuvre et ne peut plus compenser l'insuffisance du financement sans affecter la disponibilité et la qualité des soins fournis. Nous nous inquiétons beaucoup des mesures que pourrait prendre le gouvernement fédéral et qui auraient pour effet de refuser aux services de santé le niveau de financement et les montants supplémentaires requis. Nous estimons qu'un objectif minimum et qui pourrait être atteint graduellement serait 8.2% du PNB en 1985. Plus particulièrement, les provinces moins bien nanties auront besoin d'une contribution fédérale plus importante pour compenser les coûts d'une croissance qui est nécessaire mais dépasse leur capacité financière. Nous ne disposons pas de données reflétant de manière exacte les différences entre les positions financières des provinces - leur possibilité de financer l'assurance-santé - mais nous pouvons noter que le rendement estimé de

l'impôt, par habitant et pour 1980-81, est de \$76.72 à Terre-Neuve et de \$163.78 en Alberta<sup>7</sup>; cette différence énorme est l'un des indicateurs qui ne laissent aucun doute sur la variabilité, d'une province à l'autre, de la possibilité d'absorber une augmentation des dépenses de santé. Il est également évident qu'une comparaison des revenus actuels, par habitant, minimise les besoins fiscaux des provinces plus pauvres car, bien qu'elles aient des taux d'imposition plus élevés, le rendement marginal de l'impôt qu'elles perçoivent est substantiellement plus faible. Le programme de péréquation fiscal du Gouvernement du Canada réduit les inégalités mais ne les fait pas disparaître. Les formules basées sur un coût national par personne, ou qui basent les paiements sur des moyennes nationales par habitant, sont maintenant moins favorables aux provinces moins bien nanties qu'elles ne l'étaient. Ceci est particulièrement vrai des frais entraînés par les soins de santé et de la formule de financement des programmes établis correspondante. Les coûts des soins de santé dans les provinces où les programmes sont moins développés ont grimpé rapidement et s'approchent maintenant de la moyenne nationale, mais la formule ne tient pas complètement compte de la position financière de la province qui doit prélever sur ses propres ressources les fonds nécessaires pour payer sa part des frais. La formule FEP ignore complètement ce problème fondamental.

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7. a) Source: Total des versements FPE aux provinces au titre de la Partie VI de la loi de 1977 sur les arrangements fiscaux. Exercices financiers 1980-81, à 1983-84; série spéciale, 1<sup>er</sup> décembre 1980.  
b) La contribution fédérale exclut un point d'impôt sur le revenu et son équivalent en argent comptant.  
c) Renvoi, pour "effectif", aux données présentées, pour 1979-80, au Tableau 2, page 15, du rapport Le programme de santé national et provincial du Canada pour les années 1980 "Engagement au renouveau", l'honorable Emmett M. Hall, CC, C.R., Commissaire spécial.



Tableau 9

Produit domestique estimé, par personne et par province (\$ milliers)				
Province	1975-76	1976-77	1977-78	1978-79
Terre-Neuve	3.89	4.57	5.05	5.25
Ile-du-Prince Edouard	3.89	4.44	4.60	5.19
Nouvelle-Ecosse	4.87	5.60	6.09	6.70
Nouveau-Brunswick	4.86	5.39	5.74	6.33
Québec	6.44	7.41	7.98	8.94
Ontario	8.10	9.19	9.93	10.65
Manitoba	6.87	7.78	8.26	9.01
Saskatchewan	7.81	8.66	9.03	10.20
Alberta	10.57	11.65	12.98	14.43
C.-B.	7.83	9.24	10.02	11.02
Canada (territoires exclus)	7.41	8.45	9.08	9.94
Source: Etabli à partir des Tableaux 6 et 8, pages 19 et 21, Le programme de santé national et provincial pour les années 1980, l'honorable Emmett M. Hall, CC, C.R.				

C'est sans surprise que l'AMC a appris qu'au cours d'une déclaration conjointe à la Conférence interprovinciale des ministres de la santé tenue le 15 et 16 décembre 1980, les Ministres de la santé des quatre Provinces Atlantiques ont noté ce qui suit: en se basant sur les chiffres les plus récents donnant le montant des dépenses de santé par personne, les programmes de soins de santé des Provinces Atlantiques se situent à un niveau de 20% inférieur à la moyenne des autres provinces ... une aide (financière) spéciale sera requise (pour les services de santé des Provinces Atlantiques) étant donné que les dispositions FPE actuelles ne fournissent pas les fonds requis pour permettre d'éliminer les inégalités originales entre les systèmes.

Notre Association estime que la formule FPE devra être révisée afin de pouvoir diriger plus de fonds vers les provinces moins riches; en d'autres

termes, le gouvernement fédéral devrait accorder une aide financière plus grande à ceux qui en ont le plus besoin. Nous estimons qu'un mécanisme fiscal de ce genre est nécessaire pour assurer l'évolution des programmes de santé provinciaux vers un niveau où ils seront relativement comparables entre eux et pour protéger ce que l'honorable Emmett Hall appelle "le caractère national de l'assurance-santé."

Cette notion est d'ailleurs reconnue, et à juste raison, dans la loi constitutionnelle proposée pour le Canada, Partie II, Péréquation et inégalités régionales, Article 31, paragraphe (2):

"Le Parlement et le gouvernement du Canada s'engagent à prendre les dispositions propres à mettre les provinces en mesure d'assurer les services publics essentiels visés à l'alinéa (1)c) (alinéa qui formule l'engagement de fournir à tous les Canadiens, à un niveau de qualité acceptable, les services publics essentiels) sans qu'elles aient à imposer un fardeau fiscal excessif."

L'AMC estime que, sans aucun doute, l'assurance-santé mérite que le Parlement et Gouvernement du Canada lui accordent ce traitement prioritaire.

#### Participation directe du malade au paiement

Au cours de son examen de la loi sur le financement des programmes établis et des ententes connexes, le Groupe d'étude sera certainement amené à étudier la question de la participation financière directe du patient au paiement des services de santé. L'honorable Monique Bégin, Ministre de la santé et du bien-être social a publiquement et à plusieurs reprises indiqué sa préférence pour un système d'assurance-santé éliminant toute forme de participation financière du patient. Il est connu qu'elle a essayé de créer un consensus entre les ministres

provinciaux de la santé en faveur de l'exclusion par les provinces de toute clause prévoyant la participation financière directe des patients dans le cadre du renouvellement, qui reste à négocier, de l'entente FPE. Mme le Ministre a pris une position très claire et inébranlable à ce sujet et l'AMC pense qu'elle fera une déposition en ce sens devant le Groupe d'étude si ce n'a déjà été fait; elle s'oppose aussi aux primes perçues en Colombie-Britannique, en Alberta et en Ontario, ainsi qu'aux facturations par les médecins de montants dépassants les tarifs fixés pour l'assurance-santé. Nous présumons cependant qu'elle ne s'oppose pas à la facturation des services qui ne sont pas couverts par l'assurance. A notre connaissance, elle n'a pas précisé si son opposition aux paiements par les malades s'étendait aux services fournis par des professionnels de la santé autres que les médecins (services qui sont souvent compris dans les régimes provinciaux d'assurance des soins médicaux recevant une aide du Gouvernement du Canada; par exemple, les services des optométristes, des chiropracticiens, des physio-thérapeutes, etc.) et aux soins fournis par les institutions autres que des hôpitaux, les maisons de santé par exemple. L'AMC s'oppose à la position prise par Mme le Ministre à ce sujet et recommande que le Groupe d'étude rejette toute tentative d'interdiction par le Gouvernement du Canada ou le Parlement d'une participation financière du malade.

L'opposition au paiement par le malade se fonde essentiellement sur une interprétation erronée de l'une des conditions fondamentales à l'aide du gouvernement aux régimes d'assurance des soins médicaux, l'accessibilité, qui est mentionnée dans la loi sur les soins médicaux, et sur la conviction que la contribution financière du patient affecte sérieusement cette accessibilité. Ceux qui s'opposent à cette participation financière du patient



combinent souvent l'accessibilité avec une autre expression très importante mentionnée dans la loi sur les soins médicaux, "*universel*", pour créer une nouvelle condition à l'assurance-santé, "l'accès universel", ce qui donne fort bien mais n'est pas vraiment une condition du régime. L'utilisation erronée et la promotion de la notion "accès universel" a trompé beaucoup de Canadiens qui ont été amenés à croire que le programme avait été conçu pour couvrir la totalité des coûts de tous les services, pour tous les patients. Il est clair que telle n'était pas l'intention, qu'il eut été imprudent d'incorporer ce principe à la loi et qu'il ne serait pas judicieux de l'appliquer à l'avenir. Aux fins de la loi sur les soins médicaux, le mot "*universel*" s'applique au régime d'assurance en tant que tel ... au fait que tout citoyen doit être admissible à un programme à frais partagés ... au fait que nul ne peut être exclus pour cause d'utilisation fréquente des services, du risque élevé, ou de toute autre considération. La loi demande que tout citoyen ait *accès raisonnable* aux services ... non pas accès universel. Le but de la loi fédérale et des lois provinciales connexes est clairement d'établir un régime d'assurance et non un système de médecine d'Etat. Les mesures législatives envisagent implicitement la facturation directe des malades. Le régime d'assurance des soins médicaux de la Saskatchewan fut approuvé à l'avance et fonctionne depuis onze ans et pourtant il accepte spécifiquement la participation des patients aux paiements, ce qui indique sans aucun doute que les auteurs de la loi et ses administrateurs considéraient cette participation acceptable.

La contribution directe des patients aux paiements des soins de santé a une importance significative. Environ 25% du total des frais de santé sont payés directement par les personnes en cause, la majorité des paiements

portant sur les médicaments et les soins dentaires. Le Tableau 10 montre dans quelle proportion les frais de santé sont payés directement par les Canadiens.

Tableau 10

Dépenses de santé du secteur privé* au Canada Montant total des dépenses de santé (en milliers de dollars) Montants effectifs et pourcentages, 1970 à 1978									
	1970	1971	1972	1973	1974	1975	1976	1977	1978
Secteur privé	1,863,965	1,904,807	2,004,081	2,265,808	2,570,935	2,907,216	3,281,886	3,683,854	4,129,916
Total	6,151,893	7,007,209	7,665,120	8,580,279	10,083,447	12,154,270	13,882,861	15,171,210	15,655,195
Secteur privé en % du total†	30.3	27.2	26.1	26.4	25.5	23.9	23.6	24.3	24.8
*Ces dépenses englobent toutes celles qui ne sont pas faites par le gouvernement. Elles comprennent les dépenses directes des individus, les dépenses remboursées par les polices d'assurance privées et les dépenses des entreprises.									
†Pour la période allant de 1970 à 1978, les dépenses du secteur privé ont représenté, en moyenne, 25.8% du total.									
Source: Estimation du total des dépenses pour soins de santé, par secteur, Ministère de la santé et du bien-être social, Division de l'information de la santé; statistiques non-publiées, avril 1981									

Les tendances du financement privé des frais de santé constituent un sujet intéressant mais, puisque nous ne pouvons pas en identifier les composants, leur principale importance est de démontrer qu'en 1978 le public payait de sa poche plus de quatre milliards de dollars en frais de santé. Les paiements versés aux médecins ne représentent qu'une faible partie de ce total. Toutefois, ceux qui critiquent la facturation directe des patients par les médecins ignorent cette dépense privée, pourtant importante et nécessaire. De plus, on a noté un déclin important de la proportion des frais de santé payée par le secteur privé au cours des années soixante-dix et ceci a eu des conséquences adverses sur un financement adéquat de nos services de santé. Le Canada devrait prendre les mesures nécessaires pour assurer une augmentation substantielle de la proportion des frais de santé payés par

le secteur privé. L'idéal serait d'éliminer toute limite aux paiements privés pour permettre au public de compenser volontairement l'insuffisance du financement du système qui résulte des contraintes budgétaires gouvernementales excessives.

Les paiements par le secteur privé fournissent la soupape de sécurité indispensable au système. La mesure dans laquelle, à un moment donné, les médecins se dégagent des régimes d'assurance publics ou facturent directement leurs patients est directement liée au niveau des paiements reçus de l'assurance des soins de santé. Si les barèmes des tarifs répondent aux besoins des médecins, la facturation directe des patients se voit réduite comme cela a été démontré en Ontario, en Alberta, en Saskatchewan et à l'Ile-du-Prince-Edouard. Le volume de facturation privée est le meilleur indice dont nous disposons pour déterminer si les provinces remplissent leur responsabilité en ce qui concerne la *"rémunération raisonnable des médecins"*, autre condition fondamentale prévue par la loi sur les soins médicaux et trop souvent oubliée. Cette rémunération raisonnable des médecins requiert un financement adéquat des régimes d'assurance-santé en général et est directement lié à la qualité des soins médicaux.

A notre avis, les hôpitaux devraient, eux aussi, recevoir des montants plus importants du secteur privé. Les frais hospitaliers sont très élevés, couvrant à la fois les services de santé et les dépenses "d'hôtellerie". Une partie pré-déterminée, limitée, de ces frais d'hôtellerie (la nourriture par exemple) devrait être payée par les patients, selon leurs moyens. Un programme d'hospitalisation "tous frais payés" crée une discrimination injuste envers ceux qui ne sont pas assez malades pour être admis à l'hôpital et doivent payer eux-mêmes la totalité des frais de médicaments, de soins



dentaires, d'appareils thérapeutiques, et, dans certains cas, de maison de santé ou de soins en établissement pour maladies chroniques. Lorsqu'il s'agit de décider si un malade doit ou non être admis dans un hôpital pour maladies aiguës, doit demeurer à l'hôpital ou être transféré dans un centre de réhabilitation, une unité pour maladies chroniques ou une maison de santé, ou encore doit être gardé dans une institution complètement financée par les pouvoirs publics ou "renvoyé dans ces foyers", la marge de jugement est dans bien des cas très étroite et la décision souvent arbitraire; il convient de porter ceci à la connaissance du Groupe d'étude. Et pourtant, c'est cette décision qui détermine si le patient ne paiera aucun frais, ou en paiera une partie ou la totalité.

Le système d'assurance-santé canadien est un monopole d'Etat. Contrairement à ce qui existe en Grande-Bretagne, le Canada n'a qu'une seule formule qui prévoit que tous les citoyens seront traités de la même façon, dans les mêmes installations et par le même personnel professionnel. La loi prévoit que les Canadiens ne peuvent prendre une police d'assurance privée pour les services assurés par les régimes publics. Pour obtenir les services de santé requis, les Canadiens doivent donc s'adresser à un système unique dont les coûts ne peuvent être comparés à des points de référence extérieurs. La responsabilité de l'amélioration des services que les gouvernements doivent assumer est très lourde et dans la conjoncture économique actuelle nous ne croyons pas que tous les gouvernements provinciaux puissent garantir de couvrir la croissance inévitable et nécessaire des coûts. Dans ces conditions, le Gouvernement du Canada risque de voir l'assurance-santé tourner au désastre s'il décide de réduire, ou simplement de maintenir à leur niveau actuel, les transferts aux provinces au titre des régimes d'assurance-hospitalisation et d'assurance des soins médicaux. Tout en reconnaissant les responsabilités

provinciales évidentes, le gouvernement fédéral, qui a lancé ces programmes, conserve la responsabilité morale de veiller à ce qu'ils reçoivent un financement suffisant.

Nous avons déjà dit que le système canadien des soins de santé a épuisé ses possibilités de manoeuvre permettant de s'adapter à l'insuffisance du financement sans mettre en cause la disponibilité et la qualité des soins. Les comparaisons internationales au Tableau 4 ( page 12) montrent que l'augmentation annuelle de la part du PNB allouée à la santé est au moins deux fois plus rapide que le taux constaté au Canada de 1966 à 1976. Avec un taux de progression de 3% par an - le plus faible de ceux pratiqués par ces pays - le Canada aurait dévolu 8.2% de son PNB aux soins de santé en 1976 au lieu des 7.14% du PNB représentant cette année-là les dépenses de santé. On peut donc dire que le Canada dépense en soins de santé deux milliards et demi de dollars de moins qu'il devrait le faire.

Les Canadiens doivent ordonner leurs priorités et fixer des objectifs qu'ils peuvent atteindre pour améliorer le financement des soins de santé. Si nous prenons comme but de porter les dépenses de santé à 8.2% du PNB dans cinq ans, nous serons toujours en retard sur les pays comparables au nôtre, mais nous aurons pris une mesure importante pour placer le financement de notre système de soins de santé dans une juste perspective. Dans l'hypothèse où les coûts des services de santé et le PNB progresseraient au même rythme, cet objectif signifie que les dépenses dans le secteur des soins de santé devraient accuser une croissance de 2.8%, en plus de celle associée à la croissance du PNB. En valeur absolue, ceci se traduit par une somme d'environ 519 millions de dollars, en sus du montant compatible avec l'augmentation du produit national brut.

Nous ne pouvons pas prédire l'évolution du PNB au cours des cinq prochaines années, mais nous pouvons admettre que son taux de croissance nominal de 1980 à 1985 demeurera égal à celui de 1979-80 soit 10.69%. Pour atteindre de façon progressive le but que nous proposons pour les dépenses de santé - 8.2% du PNB en 1985 - il faudrait, par rapport aux montants qui correspondraient aux 7.14% du PNB actuellement consacrés à ces dépenses, prévoir les augmentations annuelles suivantes:

- en 1981: 1 milliard 116 millions
- en 1982: 1 milliard 872 millions
- en 1983: 2 milliards 736 millions
- en 1984: 3 milliards 808 millions
- en 1985: 5 milliards 77 millions

D'autre part, la contribution traditionnelle du gouvernement fédéral dans ce domaine s'élève à 31.2% du total. Pour maintenir ce pourcentage, la contribution du Gouvernement du Canada devrait inclure, en sus des augmentations liées à la croissance du PNB, les contributions supplémentaires suivantes:

- 1981: \$348 millions
- 1982: \$548 millions
- 1983: \$854 millions
- 1984: \$1 milliard 189 millions
- 1985: \$1 milliard 585 millions



RECOMMANDATIONS

L'Association médicale canadienne présente ses respects au Groupe d'étude parlementaire et le prie de bien vouloir considérer les recommandations suivantes:

- 1) QUE LE GOUVERNEMENT DU CANADA, TOUT EN RECONNAISSANT QUE LES GOUVERNEMENTS PROVINCIAUX SONT LES PRINCIPAUX RESPONSABLES DANS LE DOMAINE DE LA SANTE, CONTINUE A PARTICIPER ACTIVEMENT AU FINANCEMENT DE L'ASSURANCE-SANTE.
- 2) QUE LE GOUVERNEMENT DU CANADA ET LES GOUVERNEMENTS PROVINCIAUX TRAVAILLENT EN COLLABORATION POUR REMEDIER A L'INSUFFISANCE DU FINANCEMENT DES SOINS DE SANTE AU CANADA.
- 3) QUE LA CONTRIBUTION FINANCIERE DES GOUVERNEMENTS AUX SOINS DE SANTE SOIT AUGMENTEE AFIN D'ATTEINDRE 8.2% DU PRODUIT NATIONAL BRUT EN 1985 ET, EN OUTRE, QUE L'AUGMENTATION DES PAIEMENTS PAR LE GOUVERNEMENT FEDERAL SOIT CONDITIONNELLE A DES AUGMENTATIONS APPROPRIEES DES DEPENSES DES PROVINCES DANS LE DOMAINE DE LA SANTE.
- 4) QUE LA FORMULE FPE SOIT REVISEE POUR QUE LES PROVINCES MOINS BIEN NANTIES BENEFICIENT D'UN FINANCEMENT ACCRU.
- 5) QUE LE GOUVERNEMENT RECONNAISSE L'IMPORTANCE DU ROLE DU FINANCEMENT PRIVE DANS LE DOMAINE DES SERVICES DE SANTE.

**APPENDICE «FISC-25»**

Mémoire au  
Groupe de travail parlementaire  
sur les arrangements fiscaux  
entre le gouvernement fédéral et le provinces

Chef Sol Sanderson  
Président  
Fédération des Indiens de la Saskatchewan

Ottawa (Canada)  
le 12 mai 1981

## 1.0 RÉSUMÉ ET RECOMMANDATIONS

Les Indiens sont le peuple aborigène de ce qui est maintenant le Canada. Depuis l'arrivée des Européens, les Indiens ont conclu différents accords, explicites et tacites, avec les représentants de la Couronne, des gouvernements et des entreprises des pays européens, accords destinés à faciliter l'installation des coureurs des bois et des colons, à garantir aux nations indiennes qu'elles pourraient continuer à vivre selon leur mode de vie et leur culture et garder intactes leurs institutions, y compris leurs institutions gouvernementales, accords réglementant également les relations entre les peuples indiens et non indiens.

Plusieurs dispositions de ces accords n'ont pas été respectées par les autorités européennes, et, avec le développement d'une société non indienne et de ses institutions, plusieurs incursions importantes ont été faites dans des champs de compétence traditionnellement indiens. Avec la formation de la Confédération, le gouvernement du Canada a pris des mesures pour déposséder les peuples indiens de leurs droits sur leurs ressources—la terre, l'eau, la faune—et pour dénigrer la culture indienne et le gouvernement indien. Même après que les traités eurent été négociés et signés, et jusqu'à aujourd'hui encore, les clauses écrites explicitement à l'intention des Indiens n'ont pas été respectées.

Dans ce mémoire qu'elle présente aujourd'hui, la Fédération des Indiens de la Saskatchewan réaffirme que la Couronne impériale s'est autrefois engagée à protéger les droits aborigènes et les droits confirmés par les traités et à donner suite aux promesses faites explicitement dans ces traités à l'effet de contribuer à l'éducation, aux soins de santé, à l'aide sociale, au développement économique et au développement communautaire (y compris au logement et à l'infrastructure communautaire) des Indiens. La Fédération est également d'avis que, si le gouvernement du Canada est et doit continuer à être l'administrateur de la «relation fiduciaire» (*trust relationship*<sup>1</sup>) qui unit la Couronne aux peuples indiens, il ne doit pas englober dans cette fonction la réglementation des services aux Indiens ni aller jusqu'à exercer un contrôle sur les gouvernements indiens et leurs préférences particulières en matière de dépenses.

Le Canada a avec les Indiens des relations fiscales directes et indirectes. Le rapport fiscal direct, qui se traduit par des subventions et des contributions, est actuellement trop complexe, sur-réglementé, insuffisant au regard des services nécessaires—tant du point de vue de genre de services que de leur quantité et de leur qualité—instable et imprévisible, inefficace et trop sélectif pour permettre aux autorités indiennes de réaliser ce

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<sup>1</sup> L'expression anglaise «trust relationship» désigne à la fois, dans ce contexte-ci, la «relation de confiance» qui s'est établie entre les Amérindiens et la Couronne britannique—et dont les traités sont une manifestation—et la «relation fiduciaire», dans laquelle la Couronne, et maintenant le gouvernement du Canada, est dépositaire (*trustee*) des biens des Indiens, mais a le mandat de les administrer dans leur intérêt à eux. (Note de la traduction)



qu'elles jugent prioritaire. Le rapport fiscal indirect, qui se traduit par des transferts fiscaux du fédéral vers les provinces, desquels transferts les Indiens devraient présumément tirer profit par l'intermédiaire des programmes provinciaux, équivaut à un abandon des responsabilités du gouvernement fédéral comme dépositaire des biens des Indiens (*trustee*) et à un dénigrement de l'autorité inhérente au gouvernement indien. Du point de vue des Indiens, à cause des arrangements fiscaux actuels entre le gouvernement fédéral et les provinces, et en partie parce que ces arrangements supposent des transferts d'argent inconditionnels, les provinces ne sont pas tenues de rendre compte comme il se devrait, à leur *trustee*, de leurs dépenses au chapitre des services sociaux et des services de santé et d'enseignement supérieur qu'elles offrent aux Indiens. En outre, en cherchant à réduire le décalage des revenus qui existe entre les provinces, les paiements de péréquation ne font en pratique rien pour réduire l'écart encore plus grand qui existe entre l'économie des communautés indiennes et l'économie publique non indienne.

Nous soumettons ici au Groupe de travail parlementaire trois recommandations, dont la *première* comporte deux volets:

- (a) supprimer le «facteur indien»—les statistiques sur la population indienne, les facteurs économiques relatifs aux Indiens ou les facteurs relatifs à la participation des Indiens à l'utilisation d'un service (le Régime d'assistance publique du Canada, par exemple), de tout arrangement fiscal éventuel entre le Canada et les provinces; et
- (b) remettre directement aux Indiens la part des transferts fiscaux éventuels aux provinces dont les Indiens ont *besoin*.

Notre *deuxième recommandation* est de modifier, considérablement, les relations fiscales entre le gouvernement du Canada et les gouvernements indiens. Ce que nous proposons, c'est la création d'un fonds commun, tout d'abord par une affectation de crédits de la part du gouvernement du Canada, ensuite par le versement de la *part nécessaire*, pour les Indiens, de la péréquation, des programmes établis, du Régime d'assistance publique du Canada (RAPC) et des autres programmes destinés aux Indiens, et enfin par une indexation statutaire des richesses naturelles du Canada et des revenus perçus par le gouvernement du Canada (de manière à ce que le fonds paie, automatiquement, avec le temps, ses propres frais). Ce fonds serait contrôlé et administré par les Indiens pour financer les institutions gouvernementales des bandes de même que les institutions gouvernementales régionales (et peut-être nationales) indiennes. Aux fins du présent mémoire, ce fonds sera appelé le Fonds des ressources indiennes Canada-Saskatchewan (F.R.I.C.S.).

Le principe du F.R.I.C.S. a beaucoup en sa faveur. Il permettrait d'appliquer les principes du partage des ressources (c'est-à-dire la rente économique sur les ressources) et du partage des revenus. Il réagirait à la croissance économique, aux pressions inflationnistes et à la croissance gouvernementale. Il produirait des recettes et serait prévisible. Le F.R.I.C.S. pourrait être constitué en trois ans. La Fédération des Indiens de la Saskatchewan recommande également que l'on commence tout de suite les travaux en vue de la création de ce fonds.

La *troisième recommandation* que la Fédération présente au Parlement du Canada est celle de former un groupe d'étude parlementaire qui étudierait les principes et concepts devant gouverner les relations fiscales canado-indiennes. Les chefs des gouvernements indiens, les organisations et les institutions indiennes de même que les groupes de pression indiens devraient être appelés à participer aux travaux de ce groupe en étudiant une série de réformes fondamentales sur la façon dont les Indiens sont financés.

## 2.0 LE FONDEMENT D'UNE RELATION FISCALE CANADO-INDIENNE

Les droits politiques et culturels demeurent de pures abstractions si les peuples intéressés n'ont pas, sur le plan économique, l'autosuffisance. Lorsqu'ils ont négocié les traités avec la Couronne du chef du Canada, nos ancêtres ont pris pour acquis le droit des Indiens à l'autodétermination. Les négociateurs étaient surtout intéressés à parvenir à des arrangements qui assureraient dans l'avenir la prospérité économique de leur peuple. Mais cette prospérité économique n'a pas été atteinte en grande partie parce que les pouvoirs publics du Canada n'ont pas respecté les termes des Traités.

### 2.1 *Historique*

Les Indiens sont à la source du développement politique et économique du Canada. C'est de la terre et des ressources, renouvelables et non renouvelables, que le gouvernement a d'abord tiré toute la richesse qu'il a ensuite pu déboursier pour différents programmes et services. Or le Canada n'aurait pas eu accès à ces ressources sans la contribution des Indiens. Harold A. Innis, l'éminent historien de la traite des fourrures, a déjà écrit:

«Nous ne nous sommes pas encore rendus compte du fait que l'Indien et sa culture avaient été essentiels à l'épanouissement des institutions canadiennes.»

Dans l'Ouest, par exemple, c'est à un aventurier du nom de John George «Kootenai» Brown que l'on a attribué la découverte du pétrole en 1874. Or cet homme a lui-même dit que c'étaient les Indiens Stony qui l'avaient conduit sur les lieux de cette découverte, dans la région de Pincher-Creek, en Alberta. Les Indiens Cris connaissaient très bien les sables bitumineux, dont ils extrayaient le goudron pour calfater leurs canots. Il n'y a à peu près pas de source de pétrole qui n'ait été connue de quelque tribu ou nation indienne, qui s'en soit servie pour quelque besoin essentiel. Ces Indiens ont à leur tour indiqué aux premiers explorateurs où se trouvaient ces ressources.

Pour ce qui est de l'accès à la terre et aux ressources, les Indiens ont apporté leur aide de différentes façons, et cette aide a souvent permis de sauver des vies. C'est par des médecines indiennes que les hommes de Jacques Cartier furent guéris du scorbut; c'est grâce aux provisions de nourriture et de vêtements qui leur avaient été offertes par des Indiens que, à maintes reprises, des coureurs des bois et des explorateurs furent sauvés. Les Indiens ont enseigné aux Blancs leurs techniques et leur ont montré à se déplacer en canot, sur des raquettes et en toboggan. Les Indiens ont offert leurs services comme guides, comme explorateurs, et comme intermédiaires auprès d'autres nations indiennes. Ils sont devenus les compagnons des coureurs des bois et des explorateurs, mettant souvent ainsi leur vie même en danger. Il n'y aurait pas aujourd'hui de profits, il n'y aurait pas aujourd'hui d'institutions canadiennes si les peuples indiens n'avaient pas partagé avec les Blancs leurs richesses humaines et naturelles.



Or, ni l'histoire du Canada, ni les lois qui nous gouvernent aujourd'hui ne reconnaissent comme il se devrait la propriété indienne des terres et des ressources et le partage de ces terres et ressources.

Lorsque Jean Cabot s'est rendu en Amérique du Nord au nom du Roi de Grande-Bretagne, il a ouvert la voie aux expéditions subséquentes et à l'établissement éventuel des Européens en Amérique du Nord. Selon le droit universel de l'époque, la découverte même d'une terre inhabitée en conférait le droit de propriété au découvreur. On a supposé que, parce que les Indiens n'étaient pas des chrétiens, ils étaient des sauvages sans droit de propriété.

La Couronne de Grande-Bretagne a fait valoir son droit de propriété sur la terre en 1670, en accordant à la Compagnie de la Baie d'Hudson des droits d'exploitation sur le territoire traversé par les rivières se déversant dans la Baie d'Hudson. La Compagnie a respecté les droits de propriété des Indiens tant qu'il fut dans son intérêt de décourager l'établissement des Blancs, afin que les Indiens puissent continuer à chasser les animaux à fourrure. Ce n'est qu'au moment où la colonie a commencé à s'étendre qu'elle a revendiqué des droits plus grands que ceux des Indiens. Tout le territoire des Plaines de l'Ouest était prétendument dans la sphère d'influence de la Compagnie, et, en 1870, par un arrêté en conseil, le Territoire du Nord-Ouest et la Terre de Rupert (les terres de la Compagnie de la Baie d'Hudson) ont été admis dans le Canada. C'est par une loi du Parlement impérial que le Canada a pris possession de tout ce territoire et s'est chargé des responsabilités et des pouvoirs y afférents. La Compagnie avait été autorisée à signer des traités avec les Indiens, mais aucun traité portant sur les terres n'a jamais été conclu par les Indiens de la région de la Saskatchewan. L'arrêté en conseil de 1870 reconnaissait que les Indiens avaient certains intérêts dans ces terres. La Compagnie n'a jamais eu aucun pouvoir politique ou territorial sur les Indiens. Par conséquent, avant les traités, toute la région de la Saskatchewan continuait d'être la propriété des Indiens. Même le Dominion du Canada a admis, à l'époque, que les Indiens étaient propriétaires à part entière de leurs territoires. C'est cet argument qui fut présenté relativement à la tribu Ojibwa et au Traité n° 3, dans l'affaire *St. Catherine's Milling*, en 1889, affaire dans laquelle l'un des juges résuma comme suit la thèse du gouvernement fédéral: «Nous nous sommes reportés à la législation britannique et canadienne, pour démontrer que ce titre absolu avait été uniformément reconnu.»

Mais la politique des traités frauduleux avec les Indiens a encore une fois été pratiquée, cette fois-ci par le Dominion du Canada. En échange de sa Charte, qu'elle restituait, la Compagnie de la Baie d'Hudson recevait le vingtième des terres de la Zone fertile—y compris les droits sur le sol et les minéraux, plus 300 000 livres et le droit de conserver tous ses comptoirs. Ce transfert s'est fait sans l'assentiment des Indiens.

Parce qu'on avait empiété sur leurs territoires et leurs ressources et parce qu'ils s'opposaient à ce que les terres appartenant prétendument à la Compagnie de la Baie d'Hudson soient cédées au Dominion du Canada, les Indiens ont mené une campagne en vue d'obtenir un règlement par traité. Ces traités sont les premières ententes auxquelles les peuples indiens ont participé directement et où les aspects légaux des relations canado-indiennes sont exposés.

Les pouvoirs coloniaux d'autrefois avaient reconnu la souveraineté des nations indiennes, en signant des traités avec nos ancêtres. Par la Proclamation royale de 1763, ils reconnaissaient légalement pour la première fois le statut politique des Indiens, du Canada comme des États-Unis. Ce document déclare et confirme les droits des Autochtones, en reconnaissant que le titre des Indiens aux terres prend sa source dans la propriété indienne de temps immémorial. La Proclamation royale prévoit une formule—celle des traités—qui devrait s'appliquer à toutes les négociations et transactions éventuelles, politiques et territoriales, entre la Couronne et les peuples indiens, mais ne s'ingère pas dans les affaires internes des nations indiennes.

## 2.2 Les traités

Avant l'arrivée de l'homme blanc en Amérique, les nations indiennes avaient reconnu entre elles leur souveraineté, en signant des conventions, des traités, des ententes commerciales et des alliances militaires. La formule de la signature de traités entre les nations était une pratique établie.

Les Indiens ont conclu une entente politique avec la Couronne, de manière à pouvoir vivre comme des Indiens pour toujours, c'est-à-dire de manière à conserver les pouvoirs qui leur étaient propres. Cette garantie a été confirmée par un commissaire durant des négociations entourant un traité:

«Ce que je vous ai offert ne vous enlève pas votre façon de vivre; vous vivrez alors comme vous vivez aujourd'hui, et ce que je vous offre s'y ajoute.»

Les traités qu'ont signés nos ancêtres confirmaient les principes suivants et garantissaient les droits suivants à perpétuité:

- 1) Les nations indiennes conservent leur autorité suprême sur leur peuple, leurs terres et leurs ressources, sur les réserves comme à l'extérieur des réserves, mais elles exercent une certaine juridiction conjointe avec les organismes gouvernementaux concernés pour ce qui est des terres connues sous le nom de terres inoccupées de la Couronne. Ce principe est le fondement du gouvernement indien.
- 2) En signant les traités, les nations indiennes s'engageaient dans une *relation permanente* avec la Couronne au regard du développement économique et social des Indiens, en échange des territoires cédés.

- 3) Les nations indiennes ont établi le *partage des revenus d'impôt* entre elles et la Couronne.
- 4) Les nations indiennes ont établi un *protocole politique* pour la révision annuelle de l'état d'application des traités.
- 5) L'*interprétation* indienne des traités prévaudra sur toutes les autres interprétations.

Le texte des traités ne correspond pas avec l'esprit et l'objet des traités tels que les comprenaient les Indiens. Il y a un écart, une différence importante entre la signification d'un traité, telle qu'on la comprend à la simple lecture du texte, et le sens que lui donnent les Indiens eux-mêmes.

La Fédération des Indiens de la Saskatchewan, dans son étude sur l'interprétation que donnent les anciens du Traité n° 4<sup>1</sup>, a relevé ces différences:

1. *Terres et ressources*: Le caractère de la cession des terres et des ressources est un sujet important, que les deux sources—le texte du traité et les anciens interprètent très différemment. Les anciens indiquent qu'il s'agissait d'une cession partielle, et ce principe de la cession partielle contredit le texte du Traité n° 4, qui stipule que les signataires indiens «par la présente cèdent, transfèrent, abandonnent et livrent au gouvernement du Dominion du Canada, pour Sa Majesté la Reine, et Ses successeurs pour toujours, tous leurs droits, titres et privilèges, quels qu'ils soient, sur les terres comprises à l'intérieur des limites suivantes . . .»

La différence entre les deux interprétations sur la cession des terres et des ressources, c'est par la compréhension qu'ont les anciens de leurs droits sur la faune et le sous-sol et de la nature des terres, y compris les eaux, non utilisées à des fins agricoles, qu'on peut le mieux la décrire.

- a) Nous discutons ici de la question de la faune parce que, bien qu'on en ait conventionnellement parlé en termes de droits de chasse, de pêche et de piégeage, de droits d'accès ou de droits d'usage, les anciens considèrent que les Indiens continuent d'être propriétaires de toute la faune ou d'en avoir l'usage exclusif. Plus précisément, ils affirment que la faune continue d'appartenir aux Indiens en tant qu'élément des ressources non cédées. On exprime souvent l'opinion que la Couronne a assumé par traité l'obligation de protéger les populations d'animaux sauvages afin qu'elles servent en permanence aux Indiens.

<sup>1</sup> Le titre anglais du document est le suivant: *Elders' Interpretation of Treaty 4—A Report on the Treaty Interpretation Project*.



- b) Les richesses du sous-sol et les autres ressources non agricoles. Les anciens signalent que toutes les ressources n'ont pas été cédées en vertu du Traité n° 4, puisque les Indiens en ont conservé certaines sur les terres qu'ils ont cédées. Le Commissaire avait déclaré que l'homme blanc ne voulait de terre pour cultiver que jusqu'à la profondeur tracée par la charrue, plus fréquemment désignée comme profondeur de six pouces. Il est donc sous-entendu que les terres non agricoles—montagnes, lacs et autres terres non propices à l'agriculture—n'ont pas été demandées ni cédées.
2. *Gouvernement indien*: Les anciens sont unanimes à dire que les Indiens ont conservé le droit de se gouverner eux-mêmes. Ils affirment que les hommes blancs ont usurpé ce pouvoir, et que la *Loi sur les Indiens* n'est qu'un instrument qu'ont façonné les Blancs pour gouverner les Indiens et enfreindre les traités.
3. *Protection et aide de la Couronne*: Les anciens soutiennent qu'on avait promis aux Indiens la protection de la Couronne et son aide pour s'épanouir et prospérer. Cette promesse est décrite en termes généraux, comme une responsabilité permanente et globale de la Couronne, mais aussi en termes explicites, d'aide au développement économique et d'aide en cas de famine ou de privation.
- La teneur de ces traités n'a souvent pas été respectée, parce que les conditions négociées oralement en ont été exclues, et parce qu'il y a eu carrément infraction à certaines des clauses écrites, comme dans les cas suivants où des restrictions ont été apportées aux droits politiques et économiques des Indiens.
1. *Gouvernement indien*: Les traités n'ont pas explicitement promis que les peuples indiens conserveraient leur système de gouvernement, comme il était clairement compris des deux parties que les Indiens continueraient à vivre selon leur mode de vie à eux. Par déduction, ils organiseraient et dirigeraient leurs affaires.
2. *Cessions*: Les traités prévoyaient que les terres des réserves garanties aux Indiens de la Saskatchewan ne pourraient jamais être «vendues, louées ou autrement cédées . . . sans que le consentement des Indiens y ayant droit n'ait été d'abord obtenu» et alors seulement si la vente, la location ou la cession se faisait «pour l'usage ou le profit desdits Indiens». Néanmoins, depuis les cent dernières années, le gouvernement du Canada, agissant à titre de dépositaire des terres réservées aux Indiens de la Saskatchewan, a vendu ou autrement cédé en permanence la totalité, ou des portions importantes, d'au moins trente-deux réserves indiennes dans la province, pour un total de plus de 420 000 acres. Pour au moins quatre de ces cessions, aucun consentement d'aucune sorte n'a été obtenu des Indiens ayant droit à ces terres. Dans plusieurs autres cas, le consentement donné par les Indiens a été obtenu par les représentants gouvernementaux, par la fraude, la contrainte ou la fausse représentation—tactiques qui annulent complètement la validité de ce consentement. De plus, sauf dans deux ou trois cas où la cession s'est faite en échange de terres convenant mieux aux besoins d'une bande, aucune de ces ventes, aucun de ces

transferts ne s'est fait «pour l'usage et le profit» des Indiens. Plutôt, il ressort clairement qu'une bonne partie de ces territoires ont été vendus à des agents de certains hauts fonctionnaires ou à des amis du gouvernement du jour, afin qu'ils puissent faire de gros profits personnels.

3. *Titres légitimes sur les terres:* Aux termes des traités conclus avec les Indiens de la Saskatchewan, des réserves de terre d'une superficie suffisante pour permettre à chaque famille de cinq personnes d'occuper un mille carré, ou proportionnellement selon que la famille est plus nombreuse ou moins nombreuse, ont été garanties. (Seul le Traité n° 5 fait exception, promettant seulement 160 acres pour chaque famille de cinq personnes.) Mais en dépit de cette promesse solennelle, nous savons maintenant que les membres d'au moins dix-huit bandes (et possiblement d'autant que trente-trois) n'ont jamais reçu la superficie de terre à laquelle ils avaient droit. Il est vrai que le gouvernement canadien fait aujourd'hui quelques efforts en vue de rembourser aux Indiens cette dette depuis longtemps impayée, mais il le fait avec beaucoup de réticence.
4. *Droits sur les ressources:* Les Indiens ne devaient que partager les droits sur les ressources, mais des lois ont été adoptées pour apporter des restrictions à ces droits.

Il y a encore plusieurs autres conditions qui n'ont pas été remplies, mais les plus importantes à nos yeux sont celles qui portent sur le territoire, les ressources et le gouvernement indien. Aujourd'hui, le Canada a réservé à ses populations indiennes moins de territoire que la plupart des autres pays. Voici un tableau qui le démontre.

#### SUPERFICIE DU TERRITOIRE RÉSERVÉE AUX POPULATIONS TRIBALES DANS DIFFÉRENTS PAYS

	Population autochtone en pourcentage de la population totale	Population autochtone en pourcentage de la superficie totale
Botswana	99%+	38%
Swaziland	98%	48%
Nouvelle-Guinée	98%	97%
Rhodésie du Sud (Zimbabwe)	95%	33%
Namibie (sud-ouest africain)	87%	25%
Afrique du Sud	80%	12%
Canada	3%	0,2%
Chili	2%+	0,6%
États-Unis	0,52%	3,96%

### 2.3 *Le statut juridique des terres et des ressources des Indiens*

Dans sa décision rendue en 1889 dans l'affaire *St. Catharine's Milling and Lumber Company c. la Reine*, le comité judiciaire du Conseil privé énonçait les principes régissant les droits à la terre et aux ressources au Canada.

1. Le titre de propriété foncière au Canada est dévolu à la Couronne, et ce titre détenu par la Couronne est décrit comme étant un «droit de propriété légal», un «droit de propriétaire actuel», et le «droit de propriété le mieux établi servant de base au droit de propriété indienne».

2. Avant les traités, il existe, en droit, un titre de propriété indien, attribué à la Proclamation royale de 1763 et décrit comme étant un droit personnel et un droit d'usufruit, dont l'exercice dépend de la bonne volonté du souverain. On en parle comme d'un «droit de propriété indienne», d'une «charge» sur le droit de propriété de la Couronne et d'un «intérêt» autre que celui de la province. L'autorité législative sur les terres a été confiée au gouvernement fédéral en vertu de l'article 91 (24) de l'Acte de l'Amérique du Nord britannique.

3. Après les traités, la Couronne du chef de la province a, dans les terres, ce qu'on appelle un «beneficial interest», ou encore le «entire beneficial interest», ou un droit d'usage en tant que bénéficiaire. L'autorité législative sur les terres revient à la province en vertu des articles 92(5) et 92(13) de l'A.A.N.B.

Par la Convention de 1930 sur le transfert des ressources naturelles, le Canada transmettait aux provinces des Prairies la totalité des terres, mines, minéraux et redevances, et ce, en parfaite contradiction avec ce que les Indiens considéraient comme étant leur droit, puisque, par traité, ils avaient conservé leurs droits sur les terres et les ressources, sous réserve de partager la «couche arable» à des fins agricoles.

Le droit jurisprudentiel actuel, tel que démontre le jugement de la Cour fédérale du Canada, rendu le 15 novembre 1979 dans l'affaire *Hamlet of Baker Lake, et al. c. le Ministère des Affaires indiennes et du Nord, et al.*, nous force à conclure à regret que les tribunaux du Canada ne protégeront pas les droits aborigènes. Bien qu'une déclaration confirmant leur existence puisse être accordée, les droits aborigènes peuvent être réduits par la législation compétente. De plus, les droits aborigènes ne sont pas reconnus comme étant des droits de propriété, et par conséquent ne sont pas des «droits» protégés par les lois comme, par exemple, la *Loi sur les terres territoriales*.



Les droits aborigènes, tels que confirmés par les traités, englobent le droit à l'autodétermination, de façon à ce que les Indiens puissent, politiquement et économiquement, orienter leur développement humain, et des droits de propriété sur les terres et ressources appartenant à leurs ancêtres. Les tribunaux canadiens refusent de protéger ces principes, et il incombe par conséquent au Parlement de le faire.

Aujourd'hui, les lois fédérales et provinciales limitent et remplacent les droits autrefois confirmés par les traités. La *Loi sur les Indiens*, une loi fédérale, expose les devoirs du gouvernement à l'égard des peuples indiens. Elle est une entrave au gouvernement indien.

## 2.4 *Le droit international et les Indiens*

La législation qui s'est développée au Canada pour confirmer la «doctrine de la découverte», et par le fait même limiter les droits des Autochtones, prend sa source dans le racisme et la discrimination. Or au 20<sup>e</sup> siècle, de telles attitudes ne peuvent pas être le fondement des lois. Il est nécessaire d'obtenir le consentement des personnes intéressées avant de rendre exécutoire l'une ou l'autre de ces lois. Même si l'on suppose que les traités n'étaient pas destinés à avoir les effets qu'en attendaient les Indiens, la doctrine du droit inter-temporel s'applique ici. Ce qui est à la base de cette doctrine, c'est que lorsque disparaît le système juridique en vertu duquel des droits ont été valablement établis, ces droits ne peuvent plus être revendiqués. Ainsi, la doctrine de la découverte, un concept périmé employé par un pouvoir colonial pour justifier le mauvais traitement des Indiens, n'est plus aujourd'hui applicable, compte tenu des nouveaux principes juridiques de l'autodétermination.

Les Indiens ont continué à revendiquer leur droit, politique et moral, à leurs terres et à leurs ressources, et le droit international confirme qu'ils peuvent légitimement vivre en tant qu'entité politique, culturelle, raciale et économique identifiable, ayant droit à l'autodétermination. Il s'agit là d'un droit suprême de l'homme, applicable aux Indiens, qui prend sa source dans les principes de l'égalité et de la non-discrimination.

Les Indiens de la Saskatchewan sont un peuple habilité à se prévaloir de trois droits de la personne, fondamentaux et bien précis, en vertu du droit international moderne: le droit à l'existence physique, le droit à l'autodétermination et le droit à l'utilisation de leurs propres richesses naturelles.

Le droit à l'autodétermination est le droit d'un peuple assujéti à une domination coloniale et étrangère de choisir le chemin de sa propre destinée. Il s'agit d'une norme péremptoire du droit international, qui présente des aspects politiques, économiques, raciaux et culturels. Il revient au peuple de choisir la destinée du territoire, et non au territoire de choisir la destinée du peuple.

Il y a domination coloniale et étrangère lorsqu'un peuple ne peut pas faire valoir sa volonté collective dans l'état présent des choses. Le colonialisme en est venu à être considéré comme un crime en vertu du droit international coutumier. La conquête et l'assujettissement d'un peuple plus faible n'est plus considéré comme un acte de courage sur la scène internationale. Du droit à l'autodétermination découle celui, pour les peuples, de combattre par tous les moyens qui sont à leur disposition, tant par des moyens pacifiques que par la force. Les

États ont donc le mandat d'aider de manière positive les peuples à atteindre leur plein épanouissement, quelle que soit la forme d'autonomie qu'ils choisissent à cette fin.

Les peuples ont le droit de choisir leurs propres formes de gouvernement, et c'est peut-être là l'élément le plus important du droit à l'autodétermination. Aucune option n'est arrêtée d'avance et tous les choix sont possibles, d'un modeste régime d'autonomie locale, en passant par les différentes formes d'association fédérale, jusqu'à la personnalité internationale distincte et à part entière, c'est-à-dire l'indépendance en tant qu'État.

Le droit à l'autodétermination a une dimension économique, qui est celle du droit pour un peuple d'utiliser ses propres ressources naturelles. Un peuple n'a pas le droit de s'enrichir en épuisant et en polluant les ressources qui appartiennent à un autre. Tous les peuples, qu'ils vivent sur un territoire non autonome ou dans un État indépendant, peuvent pratiquer l'autodétermination économique. Ce droit ne dépend pas de leur développement politique, et il n'est pas non plus nécessaire que l'autodétermination politique précède l'autodétermination économique. Les Indiens de la Saskatchewan n'ont pas à changer leur statut politique avant de chercher à mettre en valeur leurs ressources naturelles. Et le droit à la souveraineté permanente sur les ressources naturelles pose aussi la question des activités nuisibles effectuées par des sociétés transnationales ou multinationales. Le problème que posent ces sociétés, comme la Compagnie de la Baie d'Hudson par exemple, c'est que dans la plupart des cas elles n'ont pas à rendre compte de leurs actes à un organisme national ou social bien précis. Par conséquent, la Compagnie de la Baie d'Hudson, par exemple, a tiré de grandes richesses du Canada, tout en endommageant et en épuisant les ressources des Indiens, et en remettant très peu aux propriétaires originaux de ces richesses.

Le droit à l'autodétermination économique trouve son expression dans ce qui a été appelé le nouvel ordre économique mondial, aussi appelé dialogue Nord-Sud. Bien que l'objectif sous-jacent du nouvel ordre économique mondial soit de rétablir l'équilibre économique entre les pays industrialisés et les pays en voie de développement en créant des structures économiques internationales plus équitables, les réserves indiennes présentent les mêmes caractéristiques que les pays en voie de développement.

Les droits fondamentaux de la personne que nous avons décrits ci-haut, seule une collectivité qui répond aux critères suivants peut s'en prévaloir:

- (a) cette collectivité peut avoir autrefois constitué une nation indépendante, avec son propre État, ou une organisation tribale plus ou moins indépendante; ou
- (b) elle peut avoir autrefois fait partie d'une nation constituant à elle seule un État et en avoir plus tard été séparée pour être annexée à un autre État; ou
- (c) elle peut avoir été, et être encore, un groupe régional ou dispersé qui, bien que lié au groupe prédominant par une certaine solidarité, n'a pas encore commencé à vraiment s'assimiler à ce groupe prédominant.

Sur le plan subjectif, un groupe doit se percevoir lui-même comme une entité autorisée à agir en tant que telle, et cette perception de soi en tant que groupe cohérent est à la fois un droit et une obligation. Les gens ont le droit de tracer les limites de leur existence commune et de dicter les critères d'appartenance au groupe, mais il est également essentiel que les membres du groupe vivent ensemble et perpétuent des traditions communes. Le peuple indien remplit ces conditions parce qu'il ne s'est pas volontairement soumis aux institutions du nouvel État, mais qu'il a conclu des ententes politiques—les traités—avec lui, afin de garantir sa souveraineté et de continuer à vivre dans le cadre de ses propres institutions. A l'exception des Canadiens français, les Canadiens de toute autre souche ne répondent pas à ces conditions parce que, selon le droit international, ils ont en tant qu'immigrants volontairement accepté d'être assimilés aux institutions du nouvel État.

Le Canada est tenu, en vertu du principe des droits de la personne, de respecter le peuple indien et de permettre son plein épanouissement.

## *2.5 Les devoirs du gouvernement fédéral face aux Indiens*

Les Indiens se sont autrefois engagés dans une relation fiduciaire avec la Couronne, en échange du partage de leurs terres et de leurs ressources. Le gouvernement fédéral a aujourd'hui, au nom de la Couronne, le devoir d'administrer cette relation fiduciaire.

Au moment de la signature des traités, nos ancêtres savaient qu'ils payaient d'avance des services qu'ils recevraient à perpétuité, parce qu'ils assuraient au Canada ce qui serait à la base de sa richesse. Cet accès acquis par le Canada aux terres et aux ressources devait être partagé avec les propriétaires originaux. Il est du devoir du Canada de garder en fiducie la part qui revient aux Indiens. Les bénéficiaires de cette confiance sacrée demandent maintenant de toucher leur part des profits engendrés par les terres et les ressources, et notamment la rente économique des terres et ressources suivantes, qu'ils ont partagées par traités:

- les terres agricoles;
- les terrains de chasse, de pêche, de piégeage et de cueillette;
- les ressources non renouvelables, y compris le pétrole, le gaz, la potasse et l'uranium;
- les droits sur l'air et l'eau.

Il est du devoir du gouvernement fédéral de nous remettre une partie de la rente en signant avec nos gouvernements indiens des ententes fiscales inconditionnelles.



### 3.0 LES RELATIONS FISCALES CANADO-INDIENNES: UNE CRITIQUE

Les relations fiscales actuelles entre le Canada et les Indiens enfreignent trois séries de principes.

- (a) Elles enfreignent les traités, en ce que les obligations contractuelles à l'effet de fournir différents services ne sont pas respectées, ou que ces services ne sont pas suffisamment financés, et en ce que les gouvernements indiens doivent se soumettre à une réglementation sévère de l'extérieur et à des priorités en matière de dépenses fixées à l'extérieur.
- (b) Elles enfreignent les obligations constitutionnelles du Canada à l'égard des Indiens et le rôle que le Canada doit assumer comme dépositaire des biens des Indiens (*trustee*), puisque par ses arrangements fiscaux avec les provinces, le gouvernement fédéral a confié à celles-ci une obligation, quoique non définie, à l'égard des Indiens.
- (c) Elles enfreignent même les principes fondamentaux de l'administration publique et des finances publiques en ce qu'elles obligent à faire des arrangements trop complexes au sujet des programmes, et qu'elles entraînent des mouvements fiscaux irréguliers et imprévisibles, de l'inefficacité et un manque d'imputabilité, non pas de la part des organisations et gouvernements indiens, mais de la part du gouvernement du Canada lui-même.

Nous nous pencherons sur ces questions en traitant à la fois des relations fiscales directes canado-indiennes, telles que représentées par les gouvernements et les constitutions, et les relations fiscales indirectes, inhérentes aux arrangements fiscaux entre le gouvernement fédéral et les gouvernements provinciaux.

#### 3.1 *Les relations fiscales directes*

Le Canada verse des contributions aux gouvernements indiens et aux organisations indiennes par l'intermédiaire d'une foule de programmes, chacun ayant ses propres modalités, règlements et méthodes comptables. Les Indiens de la Saskatchewan reçoivent de l'argent de quelque trente ministères fédéraux et provinciaux, qui utilisent à cette fin environ soixante-dix programmes. Chaque bande, qu'elle compte 50 ou 2,000 membres, doit s'en tirer dans cette surcharge de programmes.

Chaque programme a ses propres façons de procéder, ses règlements et ses étapes qu'il faut respecter. Pour se conformer à ces règles, les gouvernements de bande et les organisations indiennes doivent constituer une bureaucratie beaucoup plus grande qu'il ne serait nécessaire. Les chefs et les conseils deviennent des «leveurs de fonds», et ils passent plus de temps à s'occuper des exigences de la bureaucratie gouvernementale que des besoins de leur peuple.

En outre, les budgets pour la plupart des programmes destinés aux Indiens ne sont pas suffisants. Par conséquent, les services offerts aux Indiens n'équivalent pas, en quantité et en qualité, aux services offerts par les gouvernements aux non-Indiens. Le logement en est un premier exemple, les services sociaux un deuxième.

Même lorsque les fonds sont suffisants—tout comme lorsqu'ils ne le sont pas—les mouvements d'argent sont irréguliers et imprévisibles, au palier local. Le gouvernement du Canada ne peut pas régler les problèmes auxquels les collectivités locales font face. Ce phénomène est évident non seulement dans ses rapports avec les Indiens, mais également dans ses rapports avec les collectivités vivant dans les Parcs nationaux et dans les bases des Forces armées canadiennes.

Les arrangements fiscaux entre le Canada et les Indiens sont depuis quelques temps inefficaces. Les fonds ne sont pas versés au moment prévu, ce qui oblige souvent une bande ou une organisation indienne à emprunter. Il a fallu payer plus de treize millions de dollars en intérêts l'an dernier pour emprunter, sur garantie des engagements financiers faits par les organismes gouvernementaux aux Indiens, parce que les paiements ont été retardés par les mécanismes bureaucratiques même après que les approbations officielles eurent été reçues.

Bref, nous pouvons conclure que les contributions et les arrangements touchant les programmes sont inefficaces, irréguliers, insuffisants, surréglementés et trop complexes. En dépit de cette situation, les Indiens ont assidument rendu compte de l'emploi des fonds qu'ils avaient reçus, nonobstant le rapport du vérificateur général de l'an dernier.

### *3.2 Les Indiens et les arrangements fiscaux entre le gouvernement fédéral et les provinces*

Les leaders indiens de la Saskatchewan et de partout au Canada sont très inquiets des transferts fiscaux intergouvernementaux et de ce que signifient les arrangements fiscaux actuels entre le gouvernement fédéral et les provinces, pour les Indiens d'une part, et pour les gouvernements indiens d'autre part.

Dans chacun de ces transferts fiscaux entre le fédéral et les provinces, il y a un important «facteur indien», à la fois dans la façon dont les montants d'argent à transférer sont calculés (les formules) et dans la façon dont les montants transférés seront dépensés par les provinces au profit des Indiens. Le «facteur indien» n'est pas explicite dans la *Loi de 1977 sur les arrangements fiscaux*, mais il est inclus dans les formules et il est implicite dans les objectifs et la raison d'être des transferts fiscaux.

Le «facteur indien» apparaît aux formules utilisées pour calculer les transferts de la manière suivante:

- (a) Les Indiens sont comptés aux statistiques démographiques qui servent à calculer les paiements de péréquation et le budget des programmes établis.
- (b) Le niveau de développement économique des Indiens fait partie intrinsèque—quoique dans une moindre mesure dans certaines provinces—des moyens qui servent à déterminer l'écart fiscal que les paiements de péréquation sont destinés à combler.
- (c) Le taux et le niveau de participation des Indiens aux services sociaux se traduit dans la façon dont sont calculés les transferts du RAPC.

Nous ne savons pas à ce moment-ci de quelle façon la suppression du «facteur indien» modifierait les transferts fiscaux vers les provinces, mais nous croyons que cela n'aurait que peu d'effets, compte tenu de la nature des formules et des arrangements connexes prévus à la Loi.

C'est lorsqu'on étudie la raison d'être des transferts fédéraux-provinciaux que leur caractère perfide devient, du point de vue des Indiens, évident. Tout d'abord, le principal objectif des paiements de péréquation est de combler l'écart fiscal qui existe entre les provinces. En tant qu'Indiens, nous n'avons aucune objection à cet objectif du fédéralisme canadien. Cependant, vous devriez savoir que les Indiens et leurs communautés retirent très peu de bénéfices, s'ils en retirent, des transferts fiscaux effectués aux fins de la péréquation. Au mieux, ces bénéfices sont minuscules et indirects; au pire, ils n'existent pas. Les gouvernements provinciaux du pays ne sont pas du tout disposés à laisser filtrer vers les communautés et les familles indiennes des sommes d'argent de leur trésorerie. La péréquation n'a en pratique d'aucune façon permis de combler l'énorme écart fiscal qui existe entre les collectivités indiennes et leurs territoires et les milieux provinciaux dans lesquels ces collectivités se trouvent.

La deuxième raison d'être des transferts fiscaux aux provinces, dans un État fédéraliste, est de défrayer le coût de différents éléments externes résultant de la migration. Pour ce qui est du mouvement des Indiens vers l'extérieur des réserves, la question des éléments externes et des retombées est particulièrement importante, compte tenu des responsabilités constitutionnelles confiées au Gouvernement du Canada en ce qui a trait «aux Indiens et aux terres réservées pour les Indiens». Les transferts fiscaux du gouvernement fédéral vers les provinces sont destinés à défrayer les coûts encourus par les administrations municipales et provinciales lorsque des Indiens vont vivre à l'extérieur des réserves.

Les Indiens s'objectent à tout transfert fiscal effectué vers les provinces pour cette raison. Tout d'abord, que le gouvernement du Canada conclue une entente en vue de défrayer le coût des retombées qu'entraîne le mouvement des Indiens vers l'extérieur des réserves sans la participation et le consentement des Indiens mêmes constitue pour nous une arrogante infraction à l'obligation fiduciaire qu'a le Canada face aux peuples indiens.



Deuxièmement, les transferts fiscaux dont il est question ici sont inconditionnels. Les sommes d'argent sont versées aux trésors provinciaux sans que les provinces s'engagent à quoi que ce soit, et les décisionnaires des provinces les dépensent en fonction de leurs propres préférences. Compte tenu de leur réticence à financer les programmes indiens ou à offrir aux Indiens des services équivalents, en quantité et en qualité, à ceux qui sont offerts aux non-Indiens, le coût des retombées de la migration indienne n'est pas défrayé ou adéquatement défrayé par le secteur public.

Il y a un autre aspect des arrangements fiscaux actuels entre le gouvernement fédéral et les provinces, qui inquiète beaucoup les Indiens. Compte tenu du caractère inconditionnel des transferts fiscaux, les Indiens n'ont aucun moyen d'exiger des comptes des gouvernements provinciaux, et comme le Canada a, en vertu de ces arrangements, confié aux provinces certaines de ses responsabilités face aux Indiens, les Indiens ne peuvent pas non plus exiger des comptes de leur *trustee*, le Gouvernement du Canada.

Dans le cadre des arrangements fiscaux actuels, ces dernières années, le rôle et les responsabilités des gouvernements indiens ont été dénigrés. On a supposé que les gouvernements indiens ne devaient pas négocier, ou n'étaient pas capables de négocier des arrangements en vue de défrayer les coûts résultant du mouvement de leurs membres vers l'extérieur des réserves. Nous n'admettons aucune de ces hypothèses. Ce sont les gouvernements indiens du Canada qui devraient assumer la responsabilité de traiter avec les gouvernements provinciaux en ce qui a trait à la question des retombées, et ces gouvernements sont prêts à le faire. Et il va sans dire que les gouvernements indiens sont capables d'assumer cette responsabilité.

Compte tenu de ces considérations, nous concluons que:

- (a) Le «facteur indien» devrait être éliminé de tout arrangement fiscal éventuel entre le Canada et les provinces; et
- (b) la part des transferts fiscaux aux provinces dont les Indiens ont *besoin* devrait être soustraite de toute somme éventuellement assignée par le Canada aux provinces, et versée directement aux Indiens.

La position adoptée dans cette recommandation est également celle des provinces de la Saskatchewan et de l'Alberta.

#### 4.0 LE FONDS DES RESSOURCES INDIENNES CANADA-SASKATCHEWAN: UNE PROPOSITION

Notre deuxième recommandation s'inscrit dans la relation historique qui lie les nations indiennes à la Couronne et au gouvernement du Canada. Elle conserve au Canada son rôle de dépositaire des biens des Indiens et d'exécuteur des traités, tout en respectant le caractère fondamental du gouvernement indien. Elle introduit les principes du partage des ressources et du partage des revenus. Elle applique de solides principes d'administration des finances publiques et, si elle était adoptée, elle permettrait de réduire considérablement le fardeau administratif et bureaucratique qui pèse actuellement sur les épaules des gouvernements indiens et de leurs membres.

##### 4.1 *Principe de base*

Le principe de base est relativement simple. Il s'agit de créer, dans des formes légales qui prescriraient le mode de partage des revenus et des ressources entre les Indiens et le Canada, le Fonds des ressources indiennes Canada-Saskatchewan, c'est-à-dire un fonds commun contrôlé, géré, administré et réparti en fonction des politiques établies par les chefs de la Saskatchewan.

Nous exposerons d'abord ici ce que serait ce fonds commun, comment il serait créé, sur quoi il s'appuierait et comment il se caractériserait. Nous décrirons ensuite comment il serait géré et, enfin, nous proposerons une stratégie de mise en application échelonnée sur une période de trois ans.

Les revenus de ce fonds seraient d'abord amassés par le versement (a) de la part des paiements de péréquation et des paiements faits aux provinces dans le cadre du Financement des programmes établis et du Régime d'assistance publique du Canada, part dont les Indiens de la Saskatchewan ont *besoin*, et (b) des fonds actuellement dépensés pour les Indiens de la Saskatchewan par une foule de programmes administrés par différents ministères fédéraux et sociétés de la Couronne, (par exemple, le Secrétariat d'État, la Commission de l'emploi du Canada, le ministère de l'Expansion économique régionale, la Société centrale d'hypothèque et de logement, Santé et Bien-être Canada, le ministère des Affaires indiennes, et d'autres).

La deuxième étape dans la constitution de ce Fonds serait d'indexer les ressources de la Saskatchewan qui sont cultivées, cueillies, moissonnées, extraites, chassées, pêchées, exploitées et utilisées, et d'indexer les revenus perçus par les différents gouvernements du Canada. La valeur indexée des ressources mises en valeur dans une année donnée serait versée au Fonds. La formule de partage des revenus devrait elle aussi être prévue par la loi, et le produit devrait être automatiquement versé au Fonds des ressources indiennes. L'indice ou la série d'indice devront également être fixés de manière statutaire.

Il n'est pas possible à l'heure actuelle de préciser quel genre de formules ou d'indices on devrait appliquer. Cependant, le Fonds des ressources indiennes devrait répondre au moins aux critères suivants:

1. Il devrait être généralement sensible à l'état de l'économie canadienne, à quelque moment que ce soit. Les Indiens ne veulent rien de plus que jouir de la prospérité et souffrir les temps difficiles, avec les autres Canadiens.
2. Le F.R.I.C.S. devrait réagir aux pressions inflationnistes de l'économie, pour des raisons évidentes.
3. Le F.R.I.C.S. devrait également réagir à la croissance des gouvernements canadiens. Lorsque les services gouvernementaux s'améliorent, en quantité et en qualité, le F.R.I.C.S. devrait également augmenter, afin que les Indiens puissent bénéficier de services équivalents en quantité et en qualité à ceux qui sont offerts, par les gouvernements canadiens, aux non-Indiens.
4. Les revenus versés au fonds devraient être suffisamment stables pour être prévisibles, au moins à moyen terme.
5. Les sources de revenus devraient être productives, c'est-à-dire qu'elles devraient croître de manière à répondre aux critères énumérés ci-haut.

C'est d'après ces critères que l'on devrait chercher à en arriver à une formule permettant la mise en application des principes du partage des ressources et du partage des revenus.

Si l'on peut s'entendre sur ces principes et ces critères, il faudra alors discuter d'une autre question, qui est celle du volume initial du fonds commun de revenus. Si l'on versait à ce fonds commun, cette année, toutes les sommes dépensées par les gouvernements, fédéral et provincial, pour les Indiens de la Saskatchewan, et si l'on y ajoutait la part des transferts fiscaux intergouvernementaux dont les Indiens ont besoin, le montant déposé au fonds commun se chiffrerait à environ 180 millions de dollars. Il s'agit là d'un chiffre hautement spéculatif, mais il permet d'avoir une approximation des dépenses actuelles.

Cependant, les Indiens de la Saskatchewan ne seraient pas satisfaits si la somme initialement déposée au fonds commun équivalait à ce qui est actuellement dépensé pour les services aux Indiens. Ils demandent plutôt que lorsqu'on déterminera le volume initial du fonds commun de revenus, au moins trois critères soient remplis:

1. Les sommes déposées devraient être suffisantes pour réaliser toutes les obligations que la Couronne, et ses gouvernements en ce qui est maintenant le Canada, ont contractées à l'égard des nations indiennes de la Saskatchewan.



2. Les sommes déposées devraient être suffisantes pour que les autorités indiennes de la Saskatchewan puissent offrir aux Indiens des services équivalents en quantité et en qualité à ceux qui sont offerts par leurs gouvernements aux citoyens non indiens de la Saskatchewan.
3. Les sommes déposées au fonds commun devraient représenter une part équitable de la valeur des ressources canadiennes exploitées, à quelque moment que ce soit—équitable en fonction des réalités historiques dont nous avons parlé plus haut.
4. Les sommes déposées au fonds commun devraient être suffisamment élevées pour permettre un rattrapage à long terme en ce qui a trait au développement socio-économique et gouvernemental des Indiens et la Saskatchewan.

Il est donc hors de doute que la délimitation du volume initial du Fonds des ressources indiennes sur lequel les formules de partage des ressources et de partage des revenus s'appuieront, nécessitera beaucoup de recherche, de consultation et de négociation au cours de la prochaine année.

#### 4.2 *Gestion du Fonds des ressources indiennes Canada-Saskatchewan*

Le Fonds des ressources indiennes Canada-Saskatchewan est conçu comme étant placé sous l'autorité absolue des peuples indiens, et plus précisément des chefs de la Saskatchewan. Ce sont eux qui détermineraient les politiques régissant le Fonds; ce sont eux qui éliraient les membres du conseil d'administration, chargés de surveiller l'exploitation du Fonds; ce sont eux qui, si la chose s'avérait nécessaire, déposeraient au Parlement du Canada un rapport annuel faisant état des dépenses.

Nous nous attendons à ce que le produit du Fonds soit distribué et dépensé comme suit:

1. La plus grande partie des recettes serait distribuée aux gouvernements de bande, directement et inconditionnellement, d'après une formule pouvant tenir compte de différents facteurs comme la population, et différents facteurs relatifs aux besoins et aux coûts.
2. Une autre partie du fonds commun servirait à financer les institutions indiennes régionales et sous-régionales—maisons d'enseignement supérieur, opérations des chefs de district, organisations économiques sous-régionales indiennes, gouvernements régionaux indiens, notamment la Fédération des Indiens de la Saskatchewan, et organisations urbaines offrant des services aux Indiens.
3. Une partie du Fonds serait mise de côté pour les cas d'urgence et les situations imprévues, et, pendant les périodes où le Fonds donne un rendement très élevé, pour les périodes de «disette» où le fonds commun ne donnera pas un rendement suffisant.

4. Une certaine partie du Fonds servira à négocier les coûts des retombées causées par la migration vers l'extérieur des réserves.

Ce n'est là qu'un point de vue sur la façon dont le Fonds pourrait être administré. C'est à l'Assemblée des chefs de la Saskatchewan qu'il devrait en dernier lieu revenir de fixer les politiques de distribution des sommes d'argent.

L'administration du Fonds devrait se faire d'après trois principes: (a) la simplicité administrative, qui enlèvera aux bandes et aux autres autorités et institutions indiennes le fardeau actuel imposé par les règlements du Conseil du Trésor et des différents programmes; (b) la liberté des gouvernements indiens de choisir leurs propres priorités et leurs préférences en matière de dépenses; et (c) la responsabilité de ceux qui dépensent les recettes du Fonds devant les assemblées et autorités indiennes.

La création du Fonds des ressources indiennes Canada-Saskatchewan ne devrait pas toutefois empêcher, en aucune façon, les gouvernements et organismes indiens de demander et d'obtenir de l'argent de sources fédérales ou provinciales. Les bandes et groupes de bandes indiennes devraient par exemple être capables de participer aux travaux de développement économique régional entrepris par le Canada et les provinces.

#### *4.3 Constitution du F.R.I.C.S.: trois phases d'application*

J'aimerais proposer que, à partir de maintenant et jusqu'à ce que le Fonds, tel qu'il est décrit ci-haut, soit complètement établi, on prévoie une période d'application et d'adaptation de trois ans, répartie comme suit:

##### **Phase I—1982-1983**

Création du F.R.I.C.S., à l'aide des fonds de la péréquation, des programmes établis, du Régime d'assistance publique du Canada, des programmes actuels destinés aux Indiens et d'une affectation spéciale de crédits effectuée par le Parlement.

##### **Phase II—1983-1984**

Après délimitation du volume initial du fonds commun, application des principes du partage des ressources et du partage des revenus, de façon à ce que le Fonds devienne autonome.

##### **Phase III—1984-1985**

Évaluation du fonctionnement du Fonds et ajustements nécessaires.

Ce que nous proposons ici entraînera des changements considérables et aura des répercussions d'une grande portée.

#### 4.4 Quelques conséquences

La création du F.R.I.C.S. aura des répercussions nombreuses et, comme nous venons de le dire, d'une grande portée. Tout d'abord—et c'est là le plus important—elle fera beaucoup pour soustraire les Indiens à l'énorme fardeau de la domination coloniale, telle qu'elle se manifeste par différents aspects de la *Loi sur les Indiens*, par les procédés et attitudes du ministère des Affaires indiennes, par les règlements du Conseil du Trésor et, plus récemment, par l'approche tyrannique du ministère d'État au développement social (l'enveloppe des Affaires sociales). Plutôt que de passer les trois quarts de leur temps à s'inquiéter des règlements, des façons de procéder et des priorités en matière de service imposés par l'extérieur et à chercher à s'y conformer, et seulement le quart de leur temps à s'occuper des besoins de leur peuple et de leurs communautés, les gouvernements de bandes seraient libres de réaliser ce qu'ils jugent prioritaire, dans les limites de leurs budgets et des revenus qu'ils percevront eux-mêmes. Ce serait un grand pas en avant, qui permettrait éventuellement au gouvernement indien de donner toute sa mesure.

Deuxièmement, par la création du F.R.I.C.S., les finances indiennes ne feraient plus partie du processus d'affectation de crédits du gouvernement du Canada. Les Indiens pourraient ainsi échapper aux vicissitudes, aux complications bureaucratiques et aux forces politiques externes qui entrent en jeu dans ce processus. Le travail bureaucratique gouvernemental s'en trouverait simplifié, et les pressions auprès du Parlement réduites en ce qui a trait aux programmes et aux budgets destinés aux Indiens.

Troisième conséquence de la création du Fonds, c'est qu'il contribuerait à réduire la bureaucratie fédérale. En disant cela toutefois, je ne propose pas que le ministère des Affaires indiennes soit aboli—loin de là. Le Canada doit continuer à être le *trustee* des Indiens. De plus, un nombre indéterminé de bandes continuerait sans aucun doute à se servir des systèmes de prestation de services du ministère des Affaires indiennes, en versant un certain montant pour chaque service ou d'une autre manière. Les frais d'administration du gouvernement du Canada s'en trouveraient néanmoins réduits, et les sommes épargnées—nous insistons sur ce point—devraient être versées au F.R.I.C.S.

La création d'un fonds commun des ressources—en particulier si ce principe s'appliquait également à tous les Indiens du Canada—permettrait à votre gouvernement de retourner au principe de l'organisme unique, pour lequel nous nous sommes battus régulièrement depuis des années, organisme unique chargé de certaines fonctions précises, alors que, en même temps, toutes les sociétés de la Couronne pourraient continuer à assumer la responsabilité fiduciaire au regard des Indiens du Canada.



Enfin, il est évident que la mise au point d'une nouvelle relation fiscale entre les Indiens et le gouvernement du Canada nécessitera, sur le plan technique, beaucoup de recherche, et sur le plan politique, des discussions et des débats. Il faudra adopter des lois, si l'on veut intégrer et réaliser des principes qui soient justes sur le plan historique, principes qui découlent des droits des Indiens, des traités signés avec les Indiens, du caractère de la Confédération canadienne et du domaine des finances publiques. Pour étudier ces questions, la Fédération des Indiens de la Saskatchewan conclut son mémoire sur une troisième recommandation:

Que le Parlement du Canada crée un groupe de travail chargé d'étudier les relations fiscales canado-indiennes, afin de recommander des réformes fondamentales qui cadrent avec les obligations historiques et les réalités actuelles.

Cette dernière recommandation ne devrait pas toutefois être considérée, en aucune façon, comme diminuant la portée des autres recommandations que nous avons formulées précédemment.

## ANNEXES

- A. Résolution de tous les chefs de la Saskatchewan sur les arrangements fiscaux entre le gouvernement fédéral et les provinces.
- B. Résolution de tous les chefs de la Saskatchewan sur le partage des revenus tirés des ressources.
- C. Reconnaissance et inscription des droits aborigènes et des droits conférés par les traités, ainsi que du gouvernement indien dans la Confédération canadienne.
- D. Un plan global de développement politique et économique.
- F. Les premières nations: le gouvernement indien et la fédération canadienne.

## ANNEXE A

Résolution de tous les chefs de la Saskatchewan sur les arrangements fiscaux entre le gouvernement fédéral et les provinces.

## RÉSOLUTION N° 11

CONSIDÉRANT QUE le gouvernement de la Saskatchewan et le gouvernement du Canada ont entre eux un certain nombre d'arrangements financiers fédéraux-provinciaux; et

CONSIDÉRANT QUE le Canada verse à la Saskatchewan des sommes importantes pour plusieurs services et programmes; et

CONSIDÉRANT QUE les Indiens conventionnés et les Indiens inscrits sont pris en considération dans le calcul de la formule servant à déterminer les sommes d'argent versées en vertu des ententes; et

CONSIDÉRANT QUE les Indiens ne reçoivent pas les services prévus à ces ententes, parce que le gouvernement du Canada se sert des arrangements fiscaux fédéraux-provinciaux pour chercher à transférer à la province la prestation de plusieurs services prévus aux traités, et que cette situation n'est pas acceptable pour les Indiens conventionnés et les Indiens inscrits de la Saskatchewan, parce qu'elle enfreint leurs traités;

IL EST DÉCIDÉ QUE l'exécutif de la Fédération des Indiens de la Saskatchewan est autorisé à demander avec insistance de participer à une révision globale des arrangements financiers fédéraux-provinciaux, actuels et prévus, aux fins

(1) d'obtenir que soient identifiées les sommes d'argent destinées aux Indiens qui sont actuellement transférées au gouvernement de la Saskatchewan, et

(2) de mettre au point un système grâce auquel les bandes et tous les Indiens conventionnés et Indiens inscrits auraient directement accès à ces sommes d'argent, de manière qui cadre avec la relation fiduciaire spéciale qu'ils ont avec le gouvernement du Canada.



## ANNEXE B

Résolution de tous les chefs de la Saskatchewan sur le partage des revenus tirés des ressources.

## RÉSOLUTION N° 3

## PARTAGE DES REVENUS TIRÉS DES RESSOURCES

CONSIDÉRANT QUE la province de la Saskatchewan tire des revenus importants de l'exploitation des ressources non cédées par traité; et

CONSIDÉRANT QUE en vertu de l'Acte de l'Amérique du Nord britannique et de la Convention de 1930 sur le transfert des ressources naturelles, le gouvernement de la Saskatchewan a acquis certains champs de compétence, qui font que certaines obligations découlant des traités sont maintenant du ressort des provinces, en ce qui a trait aux ressources naturelles; et

CONSIDÉRANT QUE les revenus tirés des ressources sont utilisés par la Saskatchewan pour différents services offerts à tous les citoyens de la province; et

CONSIDÉRANT QUE à l'heure actuelle, les bandes indiennes ayant signé des traités ou les Indiens conventionnés et les Indiens inscrits n'ont aucun moyen d'avoir accès à une partie de ces revenus,

IL EST DÉCIDÉ QUE l'exécutif de la Fédération des Indiens de la Saskatchewan doit négocier avec le gouvernement de la Saskatchewan un mécanisme par lequel les recettes tirées par la Saskatchewan de l'exploitation de ces ressources seront versées aux bandes, qui les utiliseront pour leur développement.

## PARTAGE DES REVENUS TIRÉS DES RESSOURCES

- a) Les bandes indiennes ont constaté qu'avec les années on avait empiété sur leurs attributions au chapitre des ressources.
- b) Les bandes doivent conserver le contrôle sur les ressources qui n'ont pas été cédées par traité—la terre, l'eau, les minéraux, les arbres, la faune, les poissons—et participer à toutes les décisions sur leur exploitation.

- c) Il faudra délimiter les territoires qui sont la propriété des Indiens et qui relèvent de leur compétence, les territoires qui sont la propriété de la province et qui relèvent de sa compétence, et les territoires qui sont la propriété conjointe des Indiens et de la province et qui relèvent de leur compétence conjointe.
- d) Il faudra déterminer la part des revenus tirés des ressources de la province qui revient aux Indiens.
- e) Il est nécessaire que le gouvernement fédéral reconnaisse qu'il n'a jamais légalement acquis plusieurs des ressources des Indiens et qu'il ne peut pas, en conséquence, avoir légalement transféré ces ressources à la province.
- f) Il faudra établir clairement la propriété indienne et la compétence indienne exclusives en matière de ressources renouvelables et non renouvelables, la propriété conjointe et la compétence conjointe indiennes-provinciales, et la propriété provinciale et la compétence provinciale exclusives.
- g) Il faudra reconnaître que, en vertu des traités, les Indiens ont conservé leurs droits de propriété sur les terres et les ressources, mais ont accepté de les partager avec la Couronne.
- h) Il faudra reconnaître la nécessité
  - (a) d'en arriver à la plus grande indépendance économique possible, pour les bandes indiennes de la Saskatchewan.
  - (b) d'améliorer la participation directe des bandes indiennes dans le secteur privé,
  - (c) d'élaborer une politique économique indienne globale et souple,
  - (d) d'améliorer la participation indienne au développement économique, actuel et futur, de la Saskatchewan.
- i) Il faudra rassembler les terres essentielles au véritable développement économique indien. Les Indiens doivent détenir des territoires en Saskatchewan proportionnellement à leur nombre, c'est-à-dire, en 1979, environ 8,5 millions d'acres. Au moins 8,5 millions d'acres supplémentaires devraient être réservés à la propriété et à la gestion conjointes indiennes-provinciales.
- j) Il faudra reconnaître que la qualité des eaux réservées par les Indiens, en vertu des traités, était ce qui était nécessaire pour satisfaire les besoins futurs comme les besoins actuels des bandes indiennes et des réserves.
- k) Il faudra reconnaître que le gouvernement fédéral n'a jamais légalement acquis les ressources minérales des Indiens et qu'il n'a pas le pouvoir de transférer ces ressources aux provinces.

- l) Le contrôle des ressources forestières indiennes doit rester entre les mains des Indiens.
  
- m) Il faudra reconnaître que, pour que les droits de chasse, de pêche, de piégeage et de cueillette qui leur ont été reconnus en vertu des traités aient vraiment un sens, les Indiens doivent, clairement, être propriétaires de suffisamment de ressources et avoir juridiction sur elles.
  
- n) *Action*—Que soit formé un comité permanent F.I.S.—Province de la Saskatchewan, chargé d'étudier en profondeur le partage des revenus tirés des ressources, et notamment:
  - 1) les traités et les champs de compétence
  - 2) la portée
  - 3) les formules de partage.



## ANNEXE C

Reconnaissance et inscription des droits aborigènes et des droits conférés par les traités, ainsi que du gouvernement indien dans la Confédération canadienne.

RECONNAISSANCE ET INSCRIPTION DES DROITS  
ABORIGÈNES ET  
DES DROITS CONFÉRÉS  
PAR LES TRAITES, AINSI QUE DU  
GOUVERNEMENT INDIEN  
DANS LA  
CONFÉDÉRATION CANADIENNE

La Fédération des Indiens de la Saskatchewan  
Décembre 1980

## Préambule

En tant que premiers habitants de cette terre, nos opinions sur les droits aborigènes et les droits conférés par les traités diffèrent considérablement de celles des citoyens non indiens. A nos yeux, ces droits représentent des conventions sacrées aux termes desquelles nos aïeux ont convenu, quoique sous la contrainte, d'autoriser les Européens simplement à cohabiter avec eux sur cette terre. Mais, les colons européens ont toujours agi, par l'entremise de leurs institutions, de manière à saper ces ententes initiales. Non contents de remettre en question la portée de nos droits, ils se lancent maintenant dans des débats incroyables visant à remettre en question l'existence même de nos droits.

La diminution soutenue de nos droits s'est effectuée au moyens des vastes pouvoirs de l'État canadien. Les législateurs nous ont traité comme des objets, de façon tutélaire et paternaliste, conformément à la «doctrine de la découverte», ignorant et même outrepassant souvent les ententes les plus sacrées. De même, le pouvoir judiciaire du gouvernement a constamment utilisé ses concepts d'étrangers pour diluer et vider de son contenu notre patrimoine. Tandis que nos aïeux confiaient à la couronne leur foi dans les traités, les fonctionnaires de la couronne, l'exécutif, s'arrogeaient le droit de continuer à nous départir de nos droits en appliquant des politiques fortement axées sur les intérêts des citoyens non indiens.

Nous cherchons non pas à renégocier les traités, mais plutôt à assurer l'inscription des droits aborigènes et des droits conférés par les traités, non par le Parlement canadien, mais par celui de la Grande-Bretagne.

Au cours des derniers mois, les nations indiennes ont débattu considérablement la question du mécanisme à utiliser pour atteindre ce but, ce qui a conduit à une déclaration de principes faite par la conférence constitutionnelle des premières nations tenue en avril 1980 et ratifiée par la 11<sup>e</sup> assemblée générale annuelle de la Fraternité nationale des indiens tenue en août 1980. Voici ces principes:

1. Nous sommes des nations. Nous l'avons toujours été.
2. En tant que nations, nous avons des droits inhérents auxquels nous n'avons jamais renoncés.

3. Nous avons le droit à nos propres formes de gouvernement.

4. Nous avons le droit de déterminer nos propres citoyens.

5. Nous avons le droit de disposer de nous-mêmes.

6. Par l'entremise de nos gouvernements, nous devons avoir pleinement contrôle de nos terres. «Terre» comprend l'eau, l'air, les minéraux, le bois et la faune.

7. Nous voulons rester à l'intérieur du Canada, mais dans un cadre constitutionnel révisé.

8. Les négociations en vue de réviser la Constitution canadienne doivent comporter une participation pleine et égale des Indiens à tous les niveaux et à tous les stades des négociations.

9. Les droits des nations indiennes en tant que nations doivent être inscrits dans la Constitution canadienne.

10. Dans les traités, nos nations se placent sous la protection de la Couronne. En créant ce lien de protection, elles ont partagé certains des pouvoirs et n'ont pas renoncé à leur souveraineté.

11. Les droits que nous confèrent les traités doivent être inscrits dans la Constitution du Canada.

12. Nous cherchons à mettre fin à notre dépendance économique à l'égard des autres. A cette fin, nous avons besoin de suffisamment de terres et de ressources pour nous assurer une base économique pour le présent et l'avenir.

13. Nos gouvernements ont le droit de partager tous les revenus de cette terre et de ses ressources. Une bonne base financière est nécessaire au bon fonctionnement de tout gouvernement.

14. Ni le gouvernement fédéral du Canada ni aucun gouvernement provincial ne doit influencer unilatéralement sur les droits de nos nations, de nos citoyens.

La Fédération des Indiens de la Saskatchewan a, le 27 novembre 1980, reconnu ces principes dans la déclaration suivante:

En tant que nation indienne souveraine ayant les pouvoirs de conclure un traité exécutoire avec la Couronne d'Angleterre, ses héritiers et successeurs, nous déclarons par les présentes que les droits aborigènes, les droits à la confiance et à la protection conformément aux traités, les droits à l'autonomie et, les droits conférés par les traités à tous les Indiens, doivent être officiellement reconnus par la nation indienne et la Grande-Bretagne, la Couronne impériale, et que tout amendement constitutionnel, aujourd'hui ou dans l'avenir, doit être conforme à l'esprit de la présente déclaration.

Nous, les premières nations, proclamons donc par les présentes notre engagement envers la reconnaissance de notre histoire et de notre destinée uniques au Canada par l'inscription des droits aborigènes et des droits conférés par les traités dans la constitution actuelle ou dans une constitution renouvelée. Ainsi seulement pourrons-nous respecter vraiment les obligations sacrées que nos aïeux nous ont éguées pour les générations futures. Autrement, nous trahirions notre patrimoine et notre destinée.

## INSCRIPTION DES DROITS ABORIGÈNES ET DES DROITS CONFÉRÉS PAR LES TRAITÉS

### *Article 93A*

«Nonobstant toute disposition de la Loi du Canada ou de la Loi constitutionnelle ou de toute autre loi, et reconnaissant que les engagements solennels envers les peuples aborigènes du Canada décrétés dans la proclamation royale de 1763 et dans des traités antérieurs et subséquents conclus entre ces peuples et la Couronne sont inviolables, il est par les présentes déclaré qu'aucune loi d'aucune province ni aucune loi du Parlement du Canada promulguée aujourd'hui ou plus tard ne doivent s'interpréter comme diminuant, abrogeant, ou supprimant une disposition d'un traité, un engagement pris dans le cours de négociations conduisant à un traité, un droit aborigène, un droit conféré par un traité ou encore, et sans limiter la généralité de ce qui précède, un traité ou un droit aborigène concernant les terres, le gouvernement ou la culture».

## POUVOIRS LÉGISLATIFS

### *Article 93B*

Nonobstant toute disposition de la présente Loi, (y compris toute disposition dérogatoire, l'Assemblée législative du gouvernement indien peut adopter des lois s'appliquant à l'intérieur et à l'extérieur des réserves en ce qui concerne:

1. Les constitutions du gouvernement indien et les amendements y afférents tout amendement devant être apporté suivant la recommandation d'une majorité de l'Assemblée législative indienne, ratifiée par une majorité des trois cinquièmes des gouvernements indiens régionaux.
2. L'affiliation à une bande, le statut et la citoyenneté et les incidents de la résidence sur les terres indiennes,
3. L'instruction, la culture et la langue
4. Les élections,
5. Le droit familial, y compris le mariage, le divorce, la garde, le soutien et l'adoption,
6. La taxation, directe et indirecte,
7. La chasse, la pêche, le piégeage et les rassemblements,
8. Le commerce concernant les Indiens, leurs terres et autres questions indiennes connexes,
9. La constitution de sociétés commerciales et de groupements ouvriers,
10. Le droit et la procédure criminels,
11. L'administration de la justice et l'établissement de tribunaux indiens,
12. La nomination de juges indiens, y compris dans les cour supérieures,
13. Les droits de propriété et les droits civils des Indiens
14. Toutes autres questions touchant les Indiens et les terres indiennes.

Sauf stipulation contraire par l'Assemblée législative du gouvernement indien, toutes lois en vigueur au Canada et dans les diverses provinces continuent de s'appliquer, dans les mesures où elles concernent des questions relevant de la compétence de l'Assemblée législative indienne, sous réserve d'abrogation ou de modification par la dite assemblée conformément aux pouvoirs qui lui sont conférés.



## BUREAU DE LA PROTECTION DES DROITS DES INDIENS

### *Article 94*

Le Bureau de la protection des droits des Indiens a des pouvoirs équivalents à ceux d'un tribunal supérieur de dernière instance, pour décider de toutes les questions relevant de la compétence législative exclusive du gouvernement indien.

## EXÉCUTIF

### *Article 95*

1. Le gouvernement indien sera administré selon un système tribal de prise de décisions, l'Assemblée des premières nations remplissant les fonctions pour la bonne marche du traité général et dans l'intérêt aborigène, conjointement avec les conseils tribaux des chefs de districts et de la province et dans les limites de leur compétence territoriale respectives.

2. Le corps législatif du gouvernement indien sera composé de l'Assemblée des premières nations, la Reine étant le chef d'État et protecteur des droits et traités des Indiens.

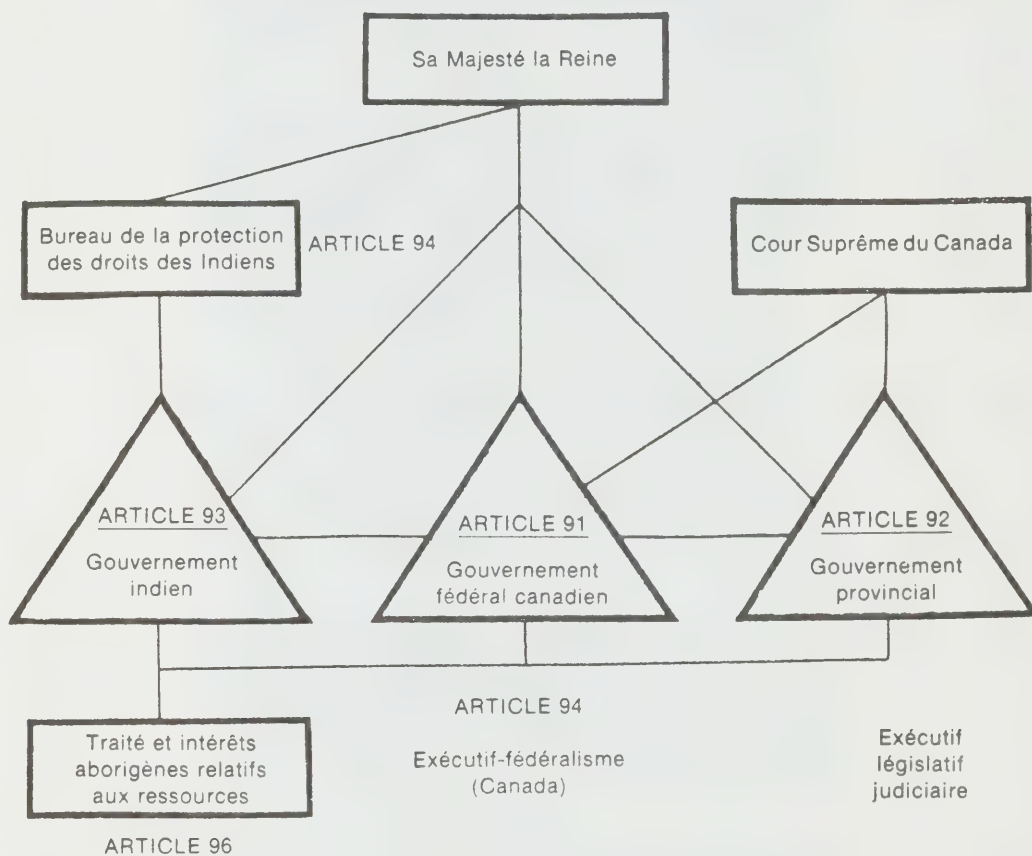
3. Il y aura promotion du fédéralisme par la consultation entre Sa Majesté du chef de la législature du gouvernement indien, Sa Majesté du chef du Canada et Sa Majesté du chef des provinces.

4. Les autres pouvoirs sur les questions relatives aux Indiens restent acquis à Sa Majesté du chef du Parlement du Royaume-Uni.

### *Article 96*

On reconnaît et affirme par la présente que les ressources naturelles réservées en vertu du traité et des lois aborigènes continuent d'être acquises à la population indienne, et que cette dernière n'en sera pas privée sauf dans des circonstances explicites et en retour d'indemnités qui seront fixées par le Bureau de la protection des droits des Indiens.

## SITUATION CONSTITUTIONNELLE DES INDIENS AU SEIN DE LA CONFÉDÉRATION



## ANNEXE D

UN PLAN GLOBAL DE DÉVELOPPEMENT POLITIQUE ET  
ÉCONOMIQUE

Un plan global de développement politique et économique  
pour  
les Indiens de la Saskatchewan

comprenant notamment  
une analyse de la dimension technique du gouvernement indien  
et  
un cheminement critique, avec dates-cibles pour la mise en application

*1970-1980—Dix années à rebâtir une nation*

Au cours des dix dernières années, les Indiens de la Saskatchewan ont fait beaucoup pour rétablir et développer les structures et mécanismes du gouvernement indien.

1. La recherche systématique et rigoureuse et les procès et négociations entourant les revendications territoriales et les droits aux terres ont déjà commencé à redonner leur intégrité aux territoires qui ont fait l'objet de traités.
2. Le réseau indien de développement culturel, d'éducation et de formation technique qui a été créé et consolidé a commencé à produire tout un éventail d'artisans, de techniciens et de professionnels indiens qui ont les compétences et les connaissances nécessaires pour revitaliser les nations indiennes de la Saskatchewan.
3. Les nouveaux centres régionaux et de district du gouvernement indien fournissent aux chefs le soutien logistique nécessaire à l'élaboration des politiques et à l'administration de toute une gamme de programmes du gouvernement indien.



4. La création de sociétés de développement et de programmes de gestion des ressources a encouragé le développement économique et a donné à ce développement un cadre de référence.
5. Par leur détermination et la connaissance des faits qu'ils ont apportés dans le dialogue avec le gouvernement fédéral et le gouvernement provincial, les Indiens ont réussi à jeter les bases d'une négociation féconde canado-indienne, dans les domaines des droits aborigènes et des droits confirmés par les traités, de la mise en valeur des ressources, du partage des revenus et de la reprise progressive, par les Indiens de la Saskatchewan, des sommes d'argent qui leur sont allouées par le Parlement.

*1981-1990—Le mouvement vers l'autonomie*

Pour que le principe du gouvernement indien soit accepté, au moins pour la forme, par le gouvernement fédéral et le gouvernement provincial, il nous a fallu travailler dur, tout au long des années soixante-dix, pour frayer de nouveaux sentiers. Inévitablement, dans nos débats internes comme dans nos négociations avec les autres, nous avons dû mettre l'accent sur la **FORME** que prendrait le gouvernement indien.

Les années quatre-vingts donneront corps et vie à cette ossature du gouvernement indien, en ajoutant la **SUBSTANCE** à la **FORME**.

Si l'histoire nous a appris quelque chose, c'est que l'érosion des droits des Indiens, l'affaiblissement des structures politiques indiennes, la détresse psychologique et sociale des Indiens, la disparition de l'identité culturelle et de l'orgueil indiens tiennent, directement et proportionnellement, au fait que les Indiens ont perdu leurs terres et, avec elles, leurs modes traditionnels de production. La dépendance à l'égard de l'économie de l'homme blanc pour les besoins essentiels de nourriture, d'abri et de vêtements se traduit par la dépendance culturelle et politique.

Il est fondamentalement contradictoire de prétendre que ceux qui redonneront aux Indiens leur autonomie sont ceux qui, dans les structures politiques et économiques de l'homme blanc, ont contribué pour une large part à faire perdre aux Indiens cette autonomie. Nous savons maintenant que les politiques et les programmes de développement économique, des gouvernements tant fédéral que provincial, touchant les Indiens ont trop souvent été l'expression d'attitudes assimilatrices bien ancrées et l'instrument de politiques d'extinction.

Pour ces gouvernements, le *développement économique* se réduit à *l'emploi*, et pour avoir un emploi, les Indiens doivent recevoir la même éducation et la même formation que l'homme blanc, vivre dans les mêmes

villes et villages que l'homme blanc et mener le même genre de vie que l'homme blanc. La conséquence logique de ces politiques, c'est que les communautés indiennes perdront leur population active et leurs familles et ne seront plus désormais viables.

Les gouvernements indiens de la Saskatchewan sont d'avis que l'autonomie indienne est la responsabilité des Indiens. Pour les Indiens, le développement économique commence par le contrôle du territoire et des autres moyens essentiels de production et s'étend grâce à la propriété de projets et d'entreprises dans l'économie de l'homme blanc, à l'extérieur des frontières des territoires indiens. Dans ce cadre dynamique de contrôle et de propriété, la conception indienne du développement économique tient compte à la fois des possibilités de la technologie et de la nécessité d'occupations productives, pour les communautés d'abord, pour les familles ensuite, et pour les individus en troisième lieu. Alors que la politique de l'homme blanc parle d'*emploi*, celle de l'Indien parle d'*occupation*. Alors que la politique de l'homme blanc parle de la primauté des individus, celle de l'Indien parle de la primauté des communautés et des familles.

#### *La productivité indienne traditionnelle*

Le mode de vie traditionnel des Indiens s'appuyait sur une économie indienne productive. La source de la productivité indienne, c'était la terre, les eaux, la faune, les techniques indiennes et les aptitudes et talents des gens qui formaient la communauté.

La famille indienne traditionnelle constituait une unité autonome de production, et toutes les cellules familiales unies ensemble formaient un système autonome de production. Ce système de production se suffisait à lui-même de temps immémorial.

Les surplus et les pénuries économiques d'autrefois ont amené les communautés indiennes à faire des échanges, à l'intérieur, entre elles et avec d'autres nations indiennes, et ces échanges économiques ont engendré plusieurs des modes de relation sociale et des valeurs que nous reconnaissons maintenant comme étant l'essence même du caractère indien et de son mode de vie. Les économies indiennes étaient également liées de très près aux systèmes politiques traditionnels indiens, et elles sont au cœur de nos préoccupations spirituelles traditionnelles.

C'est sur l'échange que se sont tissées les relations entre Indiens et blancs avant les traités. Ce pays qui est maintenant le Canada se construisait sur le commerce entre les Indiens et les colons, à savoir l'échange des ressources indiennes renouvelables contre les biens et technologies des colons.

Mais le commerce loyal entre les Indiens et les blancs s'est détérioré lorsque les colons ont utilisé la force et la duperie pour s'emparer de nos terres—la seule ressource non renouvelable qui était essentielle à l'autonomie indienne.

Les traités ont été plus que des transactions immobilières, et ils ont eu de grandes répercussions économiques, à la fois pour les colons et pour les Indiens. Entre autres choses, ils devaient protéger les ressources indiennes de l'avidité et de la rapacité des colons blancs et garantir le développement de nos économies traditionnelles indiennes. Les Indiens qui ont participé aux négociations des traités étaient profondément convaincus que s'ils acceptaient de partager la terre et les ressources avec la Couronne, la Couronne et ses gouvernements leur offraient en échange l'éducation, la formation, les technologies et des revenus suffisants, et ce, selon un protocole établi qui assurait aux Indiens qu'ils pourraient continuer d'être autonomes et de vivre selon leur mode de vie. En cela et pour tous les autres aspects des traités, l'interprétation que donnaient les Indiens de l'essence et des mécanismes devait avoir préséance sur celle de la Couronne.

Comme protecteur des Indiens et dépositaire de leurs biens en vertu des traités, la Couronne, par l'intermédiaire de ses gouvernements au Canada, des agents indiens des derniers temps et de ses programmes plus récents a étouffé l'initiative indienne et saigné les économies indiennes de leurs ressources et de leur vitalité. Pire encore, c'est au blanc qu'elle a donné les meilleures chances de réussite.

Nos économies traditionnelles indiennes ont été chambardées. Auparavant, les familles et les communautés indiennes étaient des unités et des systèmes de production; elles sont maintenant des unités et des systèmes de consommation, devant compter sur le rare argent que leur verse le gouvernement pour acheter les biens et les services de l'homme blanc.

L'argent des Indiens que s'est approprié le Parlement dans le cadre de ses obligations contractuelles et en dédommagement des droits des aborigènes sur lesquels on avait empiété, ce ne sont pas des Indiens qui le dépensent, mais des administrateurs de programmes gouvernementaux. Le bénéficiaire ultime, ce n'est pas l'économie indienne, ce sont les bureaucrates, les fournisseurs de services et les innombrables petites entreprises de l'homme blanc qui viennent s'établir autour des réserves indiennes. Le budget des Affaires indiennes sert à subventionner l'économie de l'homme blanc.

*Les économies indiennes doivent être délivrées de leur protecteur!* L'autonomie indienne ne peut venir que du contrôle indien des ressources indiennes, y compris de toutes les ressources monétaires dues aux Indiens en vertu des traités et que s'est approprié le Parlement au nom des Indiens.



*Économique et politique*

Dans certains milieux fédéraux, on cherche aujourd'hui à changer à nouveau les règles du jeu. Alarmés par l'efficacité des structures et mécanismes de notre gouvernement indien, certains voudraient une fois de plus séparer les institutions politiques indiennes du développement économique indien. Ces tentatives sont les plus insidieuses, en ce qu'elles prétendent défendre les intérêts des bandes contre ceux des groupements de tribus ou des associations provinciales de bandes. Il s'agit là d'un autre stratagème, dans une longue histoire de stratagèmes visant à «diviser pour régner», à saper la présence politique indienne en affaiblissant l'économie collective indienne.

Ceux qui, au gouvernement, défendent ce point de vue sont parmi les premiers à prétendre que les bandes indiennes qui agissent seules ne sont pas viables, et que les membres de ces bandes devraient aller chercher fortune dans les villes et les villages. Périodiquement, la politique économique gouvernementale s'est élaborée en fonction des stratégies assimilatrices, et ce phénomène est une fois encore évident. L'affirmation à l'effet que l'économie indienne doit être d'une pureté virginale et dégagée de la corruption politique est implicitement contradictoire. L'économie indienne sans la politique indienne est, en soi, un objectif politique qu'ont constamment et périodiquement poursuivi les gouvernements canadiens.

Ces visées sont également une grossière expression du principe «deux poids, deux mesures». La Confédération canadienne est essentiellement un arrangement politico-économique, comme le démontrent les débats sur le nationalisme économique canadien, la balance commerciale entre le Québec et l'Ontario, Pétro-Canada, la politique énergétique, les prix du pétrole, le système fiscal, le contrôle des prix et des salaires, l'expansion économique régionale, les paiements de transfert, et toute une série de sujets qui ont été au cœur des préoccupations des institutions et mécanismes politiques canadiens.

Les États-Unis d'Amérique se sont bâtis sur la traite des esclaves, l'acquisition par la force des territoires indiens et le commerce avec l'Europe, politiques qui avaient toutes l'appui des gouvernements. Le Marché commun européen est, ouvertement et sans ambiguïté, une union économique. L'OPEP est un cartel de ressources naturelles qui a eu une profonde influence politique dans la collectivité mondiale.

L'union fait la force, dit-on, et cet adage s'applique tout aussi bien à l'économie qu'à la politique, et pour cette raison, l'unité économique doit inévitablement avoir un caractère politique.

Parce que plusieurs de nos communautés sont petites et isolées, à la fois les unes des autres et des villes et villages, il est difficile pour elles d'être économiquement autonomes. c'est là l'une des fonctions du gouvernement

indien que de conclure des arrangements et de faciliter les ententes entre les bandes, et entre les bandes et les Indiens vivant à l'extérieur des réserves, de manière à encourager la mise en valeur des ressources de manière rentable.

Aucune communauté indienne, aucun gouvernement indien ne peut se permettre de travailler isolément. Le développement économique est une entreprise sérieuse et difficile, et il faut, pour y parvenir, que tout y converge: chaque cœur, chaque paire de bras, chaque pouce de sol, chaque once de sueur.

*Le plan global de développement: une nécessité*

Ne pas se préparer, c'est se préparer à l'échec. Aucun chasseur, aucun trappeur n'a jamais capturé quoi que ce soit sans s'être préparé d'avance. Avant chaque expédition, il lui faut savoir quelles sont ses forces et ses faiblesses, évaluer les rations, vérifier son équipement, identifier les pistes, calculer la direction du vent et enfin choisir, parmi toute une gamme de possibilités, le meilleur plan d'action.

Trop souvent, en ce qui a trait au développement économique, les Indiens doivent se plier aux projets qui ont été formulés par d'autres. Même lorsqu'ils prennent eux-mêmes l'initiative de lancer un projet économique, ils doivent le soumettre à l'examen des autres, et on s'attend à ce qu'ils se conforment aux résultats de cet examen. Même lorsqu'ils reçoivent de l'argent, ils doivent se plier au règlement, et tolérer l'imprévisibilité des versements.

*Il est temps de cesser de réagir pour agir. Les ressources indiennes qui sont actuellement contrôlées par d'autres doivent être remises au contrôle des Indiens. Il faut faire en sorte que les plans des autres cadrent avec les plans des Indiens.*

Il nous faut un plan global de développement, maintenant, pour rassembler tous les travaux qui ont été faits et pour faire le lien entre les fonctions de toutes les institutions, politiques, économiques, culturelles, d'enseignement et de recherche, indiennes et les objectifs communs des gouvernements indiens de la Saskatchewan.

## PARTIE I—UN PLAN GLOBAL DE DÉVELOPPEMENT POLITIQUE ET ÉCONOMIQUE

### (A) *Examen*

La plupart des communautés indiennes de la Saskatchewan ont déjà préparé des plans globaux de développement socio-économique. En outre, de nombreuses données sont disponibles et des travaux sont en cours sur les revendications territoriales et les droits fonciers. La Fédération des Indiens de la Saskatchewan a produit de nombreux documents exposant ses objectifs constitutionnels, législatifs, politiques, économiques, sociaux et culturels. Il ne serait pas nécessaire de reprendre à nouveau ces travaux. Mais il serait nécessaire de les regrouper tous dans la cadre d'un plan intégré de développement, de manière à ce que l'on sache clairement en quoi ils se relient les uns aux autres et en quoi ils se relient aux objectifs du gouvernement indien.

La *Partie I* comprendra:

- (i) un examen des objectifs et des buts du gouvernement indien;
- (ii) un examen des fonctions des institutions actuelles du gouvernement indien;
- (iii) un examen des plans préparés par les communautés, les conseils de districts et les conseils régionaux, les sociétés et les autres institutions et organismes du gouvernement indien;
- (iv) un examen des données actuelles sur la région, y compris des données sur
  - *la terre*, la faune et les ressources, renouvelables et non renouvelables
  - *l'infrastructure*, notamment les routes, les systèmes d'égout, les réseaux d'approvisionnement en eau et en électricité, le logement et les immeubles publics;
  - *les communications*, notamment les médias, les télécommunications, les services postaux et de messagerie, les loisirs publics;
  - *la population*, selon l'âge, le sexe, l'emploi, l'occupation, le revenu, le lieu de résidence et la mobilité des personnes;
  - *les compétences*, la scolarité et les titres professionnels;
  - *les activités économiques, par secteur*, notamment la chasse, la pêche, le piégeage, la cueillette, la construction, l'industrie lourde et légère, l'extraction et la transformation des ressources, la construction résidentielle, les arts et métiers, le tourisme, l'immobilier, le transport par route, eau et air et les services généraux;
  - *les structures sociales*, l'organisation des familles, les projets sociaux et culturels, les associations bénévoles et les assemblées confessionnelles;
- (v) un examen des programmes et services fédéraux et provinciaux;
- (vi) un examen du produit brut des économies indiennes locales et régionales;



- (vii) un examen des ressources monétaires provenant ou pouvait provenir des gouvernements fédéral et provincial, des investissements, de l'emploi, du règlement des revendications territoriales, du règlement des demandes de dédommagement, des baux et redevances et des activités économiques généralisées;
- (viii) une analyse des mouvements d'argent vers l'intérieur et vers l'extérieur des communautés indiennes et de l'économie indienne en général;
- (ix) un examen des liens qui existent entre les différentes composantes de l'économie indienne;
- (x) un examen des liens qui existent entre l'économie indienne et les activités économiques locales, régionales, nationales et internationales non indiennes;
- (xi) un examen et une analyse de l'économie régionale non indienne, y compris un examen des prévisions économiques faites par les gouvernements, les maisons de recherches de bonne réputation et les institutions financières.

**(B) *Projets***

- (i) Identification préliminaire des projets les plus susceptibles de permettre un développement social et économique conforme aux objectifs du gouvernement indien, classés selon le secteur, le district et la région.
- (ii) Étude préliminaire d'estimation de rentabilité de ces projets.
- (iii) Identification finale des projets à réaliser (qui devront faire l'objet d'études détaillées de rentabilité technique, non prévues à cette proposition).

**(C) *Estimation des ressources***

- (i) Estimation des ressources monétaires nécessaires à la mise en application de la stratégie de développement, avec prévision du flux des liquidités.
- (ii) Estimation des ressources humaines, au chapitre des compétences, de l'instruction et de la formation, avec évaluation détaillée des coûts et programme.
- (iii) Description de l'organisation nécessaire à la mise en application de la stratégie de développement, y compris les structures et mécanismes administratifs, les sociétés et les institutions financières.

**(D) *Aspects législatifs et constitutionnels***

- (i) Analyse des avantages du statut particulier.
- (ii) Analyse des obstacles législatifs et constitutionnels au développement socio-économique global.

- (iii) Analyse des avantages généraux à retirer d'un contrôle indien des paiements de péréquation et des paiements de transfert et des ressources des programmes fédéraux et provinciaux pertinents.

(E) *Plan d'action*

- (i) Énoncé des priorités.
- (ii) Ordonnancement préliminaire des priorités pour l'année 1, l'année 2, l'année 3, l'année 5 et l'année 10.
- (iii) Plan d'action détaillé pour la mise en application au cours de l'année 1.

## PARTIE II—ANALYSE DE LA DIMENSION TECHNIQUE DU GOUVERNEMENT INDIEN

### (A) *Obtention des ressources monétaires nécessaires à l'appareil gouvernemental indien*

Il nous faut prévoir des dépenses importantes relativement

- (i) à l'élaboration de la politique du gouvernement indien,
- (ii) à l'élaboration d'un Plan de développement indien,
- (iii) aux consultations entre les paliers local, régional et national du gouvernement indien,
- (iv) aux consultations entre le gouvernement indien et les gouvernements fédéral et provincial, en matière constitutionnelle et législative et en matière de programmes.

Toutes ces dépenses seront précisées et prévues à une analyse du flux des liquidités. On mettra au point une formule en vue d'établir un contrat entre le gouvernement indien et les gouvernements fédéral et provincial, afin que soient garanties au gouvernement indien les ressources monétaires nécessaires à la réalisation de ses travaux.

### (B) *Transfert des paiements de péréquation et des fonds réservés aux programmes, au gouvernement indien*

Nous analyserons les transferts de fonds, effectués maintenant et dans le passé, du gouvernement fédéral vers le gouvernement provincial, pour connaître le total des pertes actuelles et antérieures subies par les Indiens de la Saskatchewan. Nous mettrons au point une formule afin de récupérer les sommes perdues et garantir que la part de tout transfert éventuel revenant aux Indiens sera versée directement aux Indiens. Le transfert au gouvernement indien des ressources et des sommes d'argent des programmes fédéraux et provinciaux se fera de manière progressive et ordonnée. Nous préparerons un état détaillé des sommes d'argent de même qu'un plan technique présentant le montant des versements et les modes de versement, et portant sur toutes les sommes d'argent reliées au développement économique, à l'éducation, aux services sociaux et aux services de santé.

### (C) *Institutions gouvernementales indiennes*

Pour l'application du *Plan de développement* de la Partie I et le *transfert des fonds au gouvernement indien*, tels que décrits ci-haut, il faudra étudier les institutions et systèmes actuels de prestation du gouvernement indien, en vue d'assurer le transfert ordonné des sommes d'argent et la véritable réalisation des objectifs du gouvernement indien. Là où la chose s'avérera nécessaire, on mettra au point d'autres modèles administratifs et opérationnels qui seront incorporés à un système intégré de gouvernement indien.

### (D) *Ressources humaines*

Nous effectuerons une analyse détaillée des besoins de formation et d'instruction que suscitent le gouvernement indien et le Plan de développement, y compris les besoins des communautés, des organisations et



des projets sociaux et économiques particuliers, et cette analyse sera faite de manière qui tiendra compte des objectifs du système d'éducation indien. Elle fournira des données qui seront essentielles aux conseils scolaires et aux décideurs, lorsque ceux-ci fixeront leurs priorités et prépareront l'application de leurs programmes. L'analyse permettra de comparer d'une part, les coûts et les avantages qu'entraînent la prestation de bons services d'éducation et de formation des enfants et de recyclage des adultes, et d'autre part, ce qu'il en coûte, en termes de services de bien-être et de santé et de services correctionnels, de ne rien faire pour mettre un terme aux tendances actuelles.

### PARTIE III—CHEMINEMENT CRITIQUE, AVEC DATES-CIBLES POUR LA MISE EN APPLICATION

Le *Plan de développement*, proposé à la Partie I, et l'*Analyse de la dimension technique du gouvernement indien*, proposé à la Partie II, seront préparés dans le cadre d'une suite ininterrompue d'études et de rapports stratégiques axés sur la mise en application. Il y aura donc constamment, tout au long du travail, réaction réciproque de la théorie et de la pratique. Ceux qui prépareront l'analyse auront également certaines attributions au chapitre de la mise en application.

Toutes les composantes du travail seront intégrées et feront l'objet d'un cheminement critique, ce qui permettra aux chefs et à l'exécutif de la Fédération des Indiens de la Saskatchewan de connaître les objectifs et l'état des travaux, d'éviter les doubles emplois et de réduire les coûts. Le cheminement critique énoncera les projets à venir du gouvernement indien, et, en soi, cet énoncé aidera le gouvernement indien à passer de la réaction à l'action en matière d'élaboration de politiques, et permettra aux gouvernements fédéral et provincial de prendre en considération les initiatives qu'envisagent les Indiens.

Les Partie I et Partie II de cette proposition se dérouleront simultanément de manière à ce qu'il y ait retour d'information et réduction des coûts. Ce sont les chefs de la Fédération des Indiens de la Saskatchewan qui détermineront les objectifs précis et l'échéancier.

## Fédération des Indiens de la Saskatchewan

Téléphone: 949-5666

C.P. 4066

Régina (Saskatchewan)

S4P 3R9

## Mandat du Secrétariat politique de la Fédération des Indiens de la Saskatchewan

- (1) Coordination de la réorganisation de la Fédération des Indiens de la Saskatchewan.
- (2) Coordination centrale et administrative des conseils et comités d'élaboration de la politique de la Fédération des Indiens de la Saskatchewan.
- (3) Liaison entre l'exécutif et les districts—Coordination gouvernementale inter-indienne.
- (4) Préparation et coordination des documents du Cabinet exécutif de la Fédération des Indiens de la Saskatchewan.
- (5) Soutien technique du comité bipartite Fédération des Indiens de la Saskatchewan—Province de la Saskatchewan.
- (6) Suivi technique des documents d'élaboration de politique des bandes, des districts et de l'Assemblée des chefs provinciaux.
- (7) Définition, négociation et résolution des problèmes soulevés par le partage des attributions entre le gouvernement du Canada et les Indiens de la Saskatchewan.
- (8) Coordination des services et des centres d'administration dans les régions couvertes par les traités.
- (9) Consultation gouvernementale inter-indienne.
- (10) Coordination de la stratégie conjointe de développement provinciale-indienne.

Wayne Ahenakew

Trésorier exécutif



## Gouvernements indiens de la Saskatchewan

Téléphone: 764-3411

1114 Central Avenue  
Prince Albert (Saskatchewan)  
S6V 4V6

Cabinet

Fédération des Indiens de la Saskatchewan

Le 28 avril 1981

## NOTE DE SERVICE

À: chefs de la Saskatchewan  
Exécutif  
représentants de district  
Sénat  
anciens présidents

DE: Sol Sanderson

OBJET: Accords entre la Fédération des Indiens de la Saskatchewan et le gouvernement provincial

Vous trouverez ci-joint copie de trois accords que nous avons étudiés lors de la dernière journée de notre Conférence des chefs.

1. *Déclaration d'intention*

Cet accord prévoit le maintien d'une relation officielle entre la Fédération des Indiens de la Saskatchewan et le gouvernement provincial, relation visant à résoudre de manière efficace les nombreux conflits d'attributions qui sont en suspens. Il s'agit manifestement d'un accord qui permettra une meilleure compréhension entre les deux parties.

En vertu de cet accord, la province reconnaît officiellement les *droits conférés par les traités* et reconnaît les Indiens comme étant des citoyens à part entière. Des négociations se poursuivront sur d'autres accords qui consolideront la relation de confiance qui existe entre le gouvernement fédéral et les Indiens.

# 1. *Convention*

Vous trouverez ci-joint copie de deux ententes ayant des effets sur le programme de remise sur le prix de l'essence. Pour respecter l'autonomie de chaque bande, qui déterminera elle-même si elle participera à ce programme, nous demandons que chacune fasse sa demande de participation par résolution du conseil de bande et signe l'accord ci-joint.

*N.B.: Aucune bande n'est obligée d'accepter ce programme, et il revient à chacune de choisir.*

Il ne s'agit que d'un accord temporaire de quatre ans, en attendant d'autres négociations. Nous joignons les documents suivants:

- a) l'accord de la bande
- b) l'accord de la Fédération des Indiens de la Saskatchewan.

Bien à vous,

Sol Sanderson, chef

Fédération des Indiens de la Saskatchewan

## DÉCLARATION D'INTENTION

ATTENDU QUE la province de la Saskatchewan et la Fédération des Indiens de la Saskatchewan se sont engagées mutuellement à maintenir une relation entre elles dans un esprit de coopération, d'ouverture d'esprit et de respect; et

ATTENDU QUE les deux parties ont créé la structure du Comité bipartite, comme structure à l'intérieur de laquelle elles maintiendront cette relation et communiqueront entre elles, avec des pouvoirs égaux; et

ATTENDU QUE les parties ont prévu un mécanisme budgétaire annuel dans le cadre duquel elles maintiendront leur relation fiscale; et

ATTENDU QUE les parties souhaitent maintenant donner un caractère officiel à cette relation qui les unit, en concluant un accord sur les principes qui serviront de fondement à cette relation,

EN CONSÉQUENCE, par la présente, les parties

- 1) acceptent la déclaration de principes ci-jointe, intitulée accord-cadre, où sont énoncés les principes devant régir leur conduite et leur relation mutuelle, aujourd'hui et dans l'avenir, et
- 2) confirment le mécanisme du Comité bipartite et affirment qu'elles maintiendront leur relation mutuelle à l'intérieur de cette structure.

EN FOI DE QUOI la Province, par son Ministre, et la Fédération, par son chef, ont ici apposé leur signature, le 23<sup>e</sup> jour d'avril 1981.

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Pour la province de la Saskatchewan

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Pour la Fédération des Indiens de la Saskatchewan



## ACCORD-CADRE

### 1. *Principes généraux*

#### A. *La relation qui unit la Province aux peuples indiens*

1. Les peuples indiens de la Saskatchewan ont des droits particuliers qui leur ont été garantis par traité avec la Couronne, et ces traités sont tels que le gouvernement du Canada a l'obligation de les honorer, et ils créent entre ce gouvernement et les peuples indiens une relation fiduciaire obligatoire.
2. Les Indiens de la Saskatchewan sont citoyens de la Saskatchewan, et à ce titre, ils ont droit aux avantages, programmes et services offerts par le gouvernement de la Saskatchewan à ses citoyens, sauf dans les cas où la prestation de ces services remplacerait une obligation du Canada ou porterait atteinte à la relation fiduciaire susmentionnée.
3. Les peuples indiens de la Saskatchewan ont le droit historique, reconnu par les traités, d'orienter leur développement politique, culturel et social, comme peuples indiens.
4. La Province se réserve le droit d'accorder de l'argent, ou de l'aide, sous une autre forme, directement aux bandes indiennes ou aux associations de bandes indiennes, à des fins se rapportant à toutes les catégories de droits ci-haut mentionnées, et de conclure toute entente contractuelle ou autre avec les bandes, qui sera nécessaire pour accorder cette aide.

#### B. *La relation qui unit la Province à la Fédération des Indiens de la Saskatchewan*

5. Les parties reconnaissent la primauté du chef et du conseil comme représentants des peuples indiens. La Fédération des Indiens de la Saskatchewan, par l'intermédiaire des assemblées des chefs et de leurs représentants élus, est la voix politique des peuples indiens.
6. En reconnaissance de la relation fondée sur les catégories de droits susmentionnés qui existe entre la Province et la Fédération, comme représentante des peuples indiens par l'intermédiaire de leurs chefs, les parties ont mis au point un mécanisme de consultation, par l'intermédiaire de la structure du Comité bipartite.

Les parties confirment qu'elles s'engagent à respecter ce mécanisme de consultation et qu'elles souhaitent que ce mécanisme soit la structure officielle à l'intérieur de laquelle elles maintiendront leur relation.

*C. Principes de fonctionnement*

7. Les parties, par cet accord et par contrat spécial,
  - a) reconnaissent et confirment les principes fondamentaux sur lesquels s'appuie leur relation,
  - b) établissent les principes en vertu desquels les relations contractuelles et financières portant sur chacune des catégories de droits seront maintenues, sur une base sectorielle,
  - c) déterminent le cadre de chacun des programmes ou activités financés en vertu d'un contrat spécial portant sur ce programme ou activité.
8. La Province et la Fédération conviennent que les sommes d'argent versées ou les programmes ou activités offerts en vertu du présent accord ne sont pas destinés à remplacer les obligations qu'a le gouvernement fédéral conformément à l'esprit et à l'intention des traités.
9. La Fédération affectera à des programmes et activités, de la manière précisée ci-après, toutes les sommes d'argent versées en vertu du présent accord. Elle gardera à jour des dossiers comptables distincts pour chacun de ces programmes ou activités et ne devra pas faire exception, comme il peut être prévu ci-après, des fonds transférés d'un programme ou activité à un autre.
10. La Fédération effectuera toutes les opérations d'administration financières exigées par cet accord conformément aux saines pratiques commerciales et aux règlements qui sont prévus ci-après.
11. La Fédération peut signer un contrat au nom d'une organisation associée et peut remplir toutes les obligations précisées au contrat en son nom, à la condition que cette organisation y consente, et qu'elle accepte en le signant le contrat portant sur le programme, activité ou financement spécial.
12. La Fédération présentera à la Province, par l'intermédiaire du Comité bipartite, avant le premier août de chaque année, ses demandes budgétaires pour l'année fiscale suivante. Ce budget sera étudié dans le cadre du cycle établi d'examen budgétaire provincial pour l'année financière qui suit.
13. La Fédération présentera à la Province, au début de chaque année financière, pour chaque programme ou activité décrit ci-après, un projet de budget cadrant avec le programme ou activité en question. Les dépenses administratives devront être prévues à chacun de ces budgets, y compris les dépenses suscitées par les vérifications, l'organisation comptable ou d'autres modalités semblables qu'exigent le présent accord ou les justes pratiques commerciales.

14. Le présent accord, ou toute partie du présent accord, peut de temps à autre être modifié par consentement mutuel des deux parties. Les modifications devront être proposées et discutées au Comité bipartite, et on les fera connaître par accord écrit des parties, signé au nom de la Province par un ministre et au nom de la Fédération par un membre de l'exécutif.

15. Le présent accord, ou toute partie du présent accord, peut en tout temps être révoqué par consentement mutuel des parties, ou, autrement, par un avis écrit de trente jours francs expédié par une partie à l'autre. Une organisation associée au nom de laquelle la Fédération a signé un contrat ne peut révoquer que la partie de l'accord qui porte sur sa propre activité, et ce, par un avis écrit de trente jours francs expédié aux deux parties.

16. La Fédération accepte de remettre les bilans financiers ou rapports qui peuvent être exigés ci-après.

17. Rien dans cet accord ne doit empêcher la Province de verser des fonds ou d'apporter une autre forme d'aide à une autre organisation indienne ou de conclure les contrats, ententes ou autres arrangements qu'il serait sage de conclure en vue de fournir ces sommes d'argent ou cette aide.

18. Aucun membre de l'assemblée législative ne doit avoir droit à une part ou partie d'un contrat entre les parties, ni à aucun avantage en résultant.

## *2. Principes sectoriels*

### *A. Droits conférés par les traités*

1. La Province s'engage à reconnaître pleinement les droits garantis aux peuples indiens par les traités et l'obligation fiduciaire qu'a le gouvernement fédéral en vertu de ces traités.

2. La fédération agit à titre de représentant des peuples indiens afin que le gouvernement du Canada honore ses obligations contractuelles.

3. Les parties reconnaissent que les sommes d'argent versées en vertu de cette partie de l'accord sont destinées à aider les peuples indiens à faire les travaux nécessaires en vue de la reconnaissance des droits que leur ont conférés les traités. Ces sommes d'argent ne sont pas destinées à mettre en place ou à faire fonctionner des programmes, ni à remplacer les obligations financières confiées au gouvernement du Canada par les traités et la législation fédérale.



4. Les parties reconnaissent que la Province verse à la Fédération des sommes d'argent destinées aux fins mentionnées précédemment, et que cela n'empêche pas la Fédération de demander que des sommes d'argent soient obtenues du gouvernement fédéral pour financer les programmes qui, conformément aux traités et aux lois fédérales, relèvent du gouvernement fédéral.

*B. Droits comme citoyens de la Saskatchewan*

1. La Province reconnaît qu'elle a l'obligation de veiller à ce que les citoyens indiens de la province aient accès aux programmes offerts aux citoyens de la Saskatchewan, sauf dans le cas où ces programmes remplaceraient les programmes et services garantis par traité par le gouvernement du Canada. La Province admet que, pour que les Indiens retirent ces avantages de manière comparable aux autres citoyens, il sera peut-être nécessaire de prévoir des mécanismes de prestation de services ou de programmes spéciaux pour les Indiens.

2. La Fédération accepte d'offrir et d'administrer les programmes, activités et services décrits à cette partie, au nom de la Province, pour les Indiens.

3. La Province et la Fédération conviennent d'établir, pour chaque contrat à l'intérieur de ce secteur, des mécanismes de consultation et de révision, afin d'éviter le chevauchement des programmes et de faciliter la coordination avec les programmes provinciaux actuels.

4. Les parties admettent que, dans tous les cas où des programmes provinciaux sont offerts et administrés conformément à cette partie de l'accord, les règlements provinciaux applicables à ces programmes s'appliqueront.

5. Pour tous les programmes prévus à cette partie, la Province conserve le droit de demander, lorsqu'elle le jugera nécessaire, des évaluations, rapports et bilans financiers sur ces programmes.

*C. Droits sociaux, politiques et culturels*

1. La Province reconnaît le droit des peuples indiens au développement social, politique et culturel en tant qu'Indiens, droit qui a été reconnu dans les traités.

2. Les parties reconnaissent que ce développement peut se produire dans une bande ou un district ou au palier local ou provincial, et que les peuples indiens et les organisations indiennes se chargent de ce développement. C'est la Fédération qui coordonne le développement au nom des peuples indiens et de

leurs chefs. La Province conserve le droit d'offrir son aide, pour ce développement, aux bandes ou à d'autres organisations indiennes, comme elle le jugera à propos.

3. La Fédération sert de lieu où les chefs et leurs représentants élaborent les politiques. Les parties reconnaissent que les sommes d'argent versées pour l'élaboration des politiques ne sont pas destinées à créer ou à faire fonctionner des programmes.

4. La Fédération est le lieu où s'expriment politiquement les peuples indiens. Parce qu'elle est formée des chefs et des conseils des peuples indiens, la Fédération représente ces peuples, et elle est leur voix politique.

**APPENDICE «FISC-26»**

MÉMOIRE PRÉSENTÉ AU GROUPE DE TRAVAIL PARLEMENTAIRE  
SUR LES ACCORDS FISCAUX ENTRE LE  
GOUVERNEMENT FÉDÉRAL ET LES PROVINCES  
PAR  
LE SYNDICAT CANADIEN DE LA FONCTION PUBLIQUE

le 12 mai 1981



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## INTRODUCTION

Nous vous soumettons le présent mémoire au nom du Syndicat canadien de la fonction publique. Nous tenons tout d'abord à remercier le Groupe de travail parlementaire de nous avoir ainsi donné l'occasion de faire connaître notre point de vue, en espérant que ce que nous aurons à dire intéressera ses membres.

Notre syndicat est le plus important au Canada, regroupant plus de 267,000 travailleurs de partout au pays. Les membres du SCFP travaillent dans des hôpitaux, des écoles, des municipalités, des garderies, des maisons de repos, des agences de services sociaux, des universités, des collèges communautaires, des sociétés de service d'électricité et d'autres services publics de tous genres. Nous représentons ainsi tant les utilisateurs que les fournisseurs des services touchés par les transferts fiscaux fédéraux. C'est donc pour des raisons des plus évidentes que nos membres sont très préoccupés par les questions que le Groupe de travail a été chargé d'étudier.

Étant donné les délais très serrés qui ont été imposés au Groupe de travail, nous nous sommes efforcés de formuler nos commentaires aussi succinctement que possible. Nous aurions bien sûr préféré que l'étude de cette question si importante soit échelonnée sur une période de temps plus longue, puisque les décisions que prendra le gouvernement fédéral auront une incidence profonde sur la vie de tous les Canadiens. Nous savons toutefois que le choix du cadre temporel de ce travail ne relevait pas du Comité.

Nous avons délibérément omis de passer en revue l'histoire des arrangements de partage des coûts conclus entre les gouvernements fédéral et provinciaux depuis la deuxième guerre mondiale, et plus particulièrement depuis la re-négociation des accords de 1977. Nous nous sommes d'autre part abstenus de reprendre les statistiques qui ont déjà été présentées au sujet des modalités de la formule de partage des coûts applicable aux divers programmes. Nous ne voudrions pas faire perdre de temps au Groupe de travail en reprenant des renseignements ou des documents qui ont été présentés par d'autres témoins, dont le ministre des Finances lui-même.

Nous nous sommes plutôt attachés à examiner et à commenter les questions d'ordre politique que soulèvent les propositions faites par le gouvernement fédéral. Selon nous, la question n'est pas de savoir si le gouvernement fédéral devrait payer 40 ou 50 pour cent des coûts, dans le cadre de la formule de partage conclue avec les provinces. La question n'est pas non plus de savoir si l'éducation post-secondaire mérite plus ou moins que les assurances frais médicaux ou les régimes d'assurances-hospitalisation de bénéficier d'une aide fédérale. La question est beaucoup plus fondamentale : il s'agit tout simplement de savoir si nous allons maintenir et améliorer le niveau actuel des services publics et sociaux ou si nous allons les laisser se détériorer dans le cadre d'un programme myope mené autant par le gouvernement fédéral que par les provinces qui vise à transférer des ressources publiques au secteur privé, sous un semblant de "développement économique".

De l'après-guerre jusqu'au début des années 1970, les systèmes canadiens de soins médicaux, d'hospitalisation, d'éducation post-secondaire et de services de bien-être social ont été élargis en vertu d'une politique générale visant à assurer à tous les



Canadiens des services publics qui correspondent à une société industrielle et civilisée. Bien que les programmes qui ont été mis en place aient connu et connaissent encore un certain nombre de failles, il n'en reste pas moins que ces services ont considérablement amélioré la vie des gens du peuple.

Depuis le milieu des années 1970, cependant, les services sociaux et publics canadiens font l'objet de plus en plus d'attaques de part et d'autre du pays. Les services assurés par tous les paliers gouvernementaux ont été réduits malgré les épreuves que cela a fait subir aux Canadiens. Nous sommes convaincus que nous ne pouvons évaluer le désir du gouvernement fédéral de re-négocier le Financement des programmes établis et le Régime d'assistance publique du Canada qu'à la lumière de cette stratégie générale de diminution des coûts.

## II LE MANDAT DU GROUPE DE TRAVAIL

Lorsque le Parlement a créé le Groupe de travail, il a limité son mandat à l'établissement de la façon dont seraient effectuées les compressions annoncées en octobre dans le budget déposé par M. Allan MacEachen. Le gouvernement fédéral n'a pas demandé au Groupe de travail de chercher à savoir si ces coupures apportées à l'enveloppe des affaires sociales étaient souhaitables ou dans quelle mesure elles pourraient nuire au bien-être des Canadiens. Il ne l'a pas non plus chargé de mener une enquête pour déterminer si cette politique fédérale, voulant l'affectation au développement économique et à la défense des fonds dont bénéficiaient traditionnellement les affaires sociales, constitue une approche raisonnable pour la satisfaction des besoins des Canadiens.

Nous sommes très troublés par le fait que le gouvernement ait délibérément essayé d'exclure les citoyens du pays du débat sur l'incidence de ces restrictions budgétaires. Il semblerait que le gouvernement veuille manigancer un conflit entre les défenseurs des divers programmes qui se trouvent menacés par ces décisions. Il souhaite que les défenseurs des assurances frais médicaux disent que les coupures devraient être effectuées dans le domaine du bien-être social et que les partisans des régimes d'assurances maladie disent qu'elles devraient être imposées au secteur de l'éducation post-secondaire. Enfin, il souhaite que les tenants de l'éducation post-secondaire réclament que ces coupures portent sur les assurances frais médicaux ou sur les assurances-hospitalisation.

En limitant le débat à la question de savoir comment les 1.5 milliard de dollars en compressions budgétaires seront alloués dans le courant des deux prochaines années fiscales, le gouvernement espère détourner l'attention du public de ses politiques sociales et économiques de base. Il a d'ailleurs essayé de taire le débat sur la remise en question de la nécessité

de ces coupures. Il a d'autre part essayé d'avorter toute tentative de discussion au sujet de ce qui sera fait de l'argent "économisé" dans l'enveloppe des affaires sociales.

Le Syndicat canadien de la fonction publique aimerait exprimer aussi énergiquement que possible sa vive opposition à la façon dont le gouvernement fédéral a essayé d'étouffer le débat sur ces questions si importantes en arrêtant le mandat du Comité à l'étude d'une liste limitée de questions au sujet des services qui devraient subir les réductions les plus importantes. Nous pensons que l'on ne peut étudier la question de la réduction du budget des affaires sociales sans tenir compte des facteurs économiques et politiques de portée plus vaste qui entrent en ligne de compte dans l'établissement des priorités du gouvernement. À notre avis, la réalisation de ces coupures aurait une incidence catastrophique sur le bien-être de millions de Canadiens et celles-ci ne serviraient aucune fin économique utile.

C'est pourquoi nous n'allons pas nous borner à commenter la question de savoir comment démanteler nos services médicaux, éducationnels et sociaux. Nous allons plutôt nous prononcer sur les conséquences qu'amèneront ces politiques, si elles sont appliquées, et démontrer dans quelle mesure elles auraient une incidence néfaste sur la vie des Canadiens.



### III L'ATTAQUE MENÉE PAR LE GOUVERNEMENT FÉDÉRAL À L'ENDROIT DES DÉPENSES SOCIALES

En octobre dernier, le ministre des Finances, M. Allan MacEachen, présentait au Parlement son budget pour l'année fiscale 1981-1982. Il n'y accordait qu'une très faible priorité à l'éducation, au bien-être social, aux soins de santé et à l'hospitalisation. Le gouvernement fédéral compte, dans le courant des trois prochaines années fiscales, maintenir le taux de croissance des dépenses dans l'enveloppe des affaires sociales à un taux inférieur à celui de l'accroissement des dépenses gouvernementales ainsi qu'à celui de la croissance économique dans son ensemble. La conséquence de cela est des plus simples. Les programmes des affaires sociales vont devoir subir d'importantes coupures. Les prévisions budgétaires établies pour l'année 1981-1982 prévoient une croissance de l'enveloppe des affaires sociales de 10.6 pour cent pour 1981-1982, de 6.3 pour cent pour 1982-1983 et de 6.9 pour cent pour 1983-1984.<sup>1</sup> Le taux d'inflation étant supérieur à 12 pour cent, cela signifie qu'il y aura une importante réduction des fonds, en valeur absolue, consacrés à ce programme, notamment dans les deuxième et troisième années. Même si l'on ne peut que spéculer sur ce que sera le taux d'inflation des trois prochaines années, la réalisation du budget suppose des réductions d'environ 15 pour cent en valeur absolue.

Laissons de côté pour l'instant le tableau d'ensemble des affaires sociales et examinons plutôt l'élément F.P.E. Voici les montants prévus au budget pour les quatre prochaines années.

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<sup>1</sup> Ces données s'appuient sur le témoignage donné devant le Comité le 23 avril 1981 par M. Gérard Veilleux, Sous-ministre adjoint, Direction des relations fédérales-provinciales et de la politique sociale.

FINANCEMENT DES PROGRAMMES ÉTABLIS Y COMPRIS  
LES SERVICES COMPLÉMENTAIRES DE SANTÉ

1.

<u>Année</u>	<u>Montant</u> <u>en millions de</u> <u>dollars</u>	<u>Changement exprimé</u> <u>en pourcentage</u>
1980-1981	\$ 5.708	6.1%
1981-1982	6,404	12.2%
1982-1983	6,938	8.3%
1983-1984	7,590	9.4%

Le texte qui accompagne ce tableau dit cependant ce qui suit :

"Les ententes fédérales-provinciales régissant le Financement des programmes établis et le Régime d'assistance publique du Canada viendront bientôt à expiration. Les estimations présentées à ce titre pour 1982-1983 et 1983-1984 reposent sur l'hypothèse d'une reconduction des ententes actuelles." (souligné par les auteurs du présent mémoire) <sup>2</sup>.

Il est donc clair que ces chiffres sont inexacts puisque le ministre des Finances dit également au sujet du fonds F.P.E. : "J'ai déjà fait savoir à mes collègues des provinces que nous étudierions attentivement ces programmes quand leur renouvellement approcherait et que nous comptons réaliser des économies importantes à ce chapitre." <sup>3</sup>.

<sup>1</sup>. Le Budget, le 28 octobre 1980, page 33

<sup>2</sup>. Idem, page 32

<sup>3</sup>. Idem, page 13

Si les prévisions budgétaires sont erronées, que signifient les "économies importantes" dont parle le ministre des Finances? Il nous a éclairé à ce sujet lors de sa comparution devant le Comité le 23 avril lorsqu'il a déclaré : "Nous espérons réaliser des économies nettes de l'ordre de 1.5 milliard de dollars en 1982-1983 et en 1983-1984". D'autre part, l'un des hauts fonctionnaires qui l'accompagnaient a précisé qu'il s'agirait "d'une réduction de l'ordre de \$500 millions en 1982-1983 et d'un milliard de dollars en 1983-1984."

Nous pouvons, à l'aide de ces chiffres, établir des prévisions pour les dépenses au titre du F.P.E. en soustrayant les "économies" sus-mentionnées :

DÉPENSES RÉELLES AU TITRE DU F.P.E.

Y COMPRIS LES SERVICES COMPLÉMENTAIRES DE SANTÉ

<u>Année</u>	<u>Montant en millions de dollars</u>	<u>Changement exprimé en pourcentage</u>
1980-1981	\$5,708	+ 6.1%
1981-1982	6,404	+12.2%
1982-1983	6,438	+ 0.5%
1983-1984	6,590	+ 2.4%

Les chiffres absolus révèlent que les dépenses fédérales au titre du F.P.E. seront à peu près constantes au cours de la période allant de 1981 à 1984. Ces calculs ne tiennent néanmoins pas compte de l'inflation pour cette même période de temps. Nous avons calculé l'incidence qu'aurait la réalisation de ces coupures au niveau du F.P.E. en nous fondant sur les projections établies par le gouvernement pour ce qui est du taux d'inflation et en rajustant les chiffres en fonction de ce qui a déjà été inscrit aux livres pour l'année 1981 :



INCIDENCE DES COUPURES SUR LES DÉPENSESAU TITRE DU F.P.E.

<u>Année</u>	<u>Augmentation réelle des dépenses au titre du F.P.E.</u>	<u>Indice prévu des prix à la consomma- tion (pour le moyen terme) *</u>	<u>Changement net pour ce qui est des dépenses au titre du F.P.E.</u>
1980-1981	6.1%	12.4% **	- 6.3%
1981-1982	12.2%	9.4%	+ 2.8%
1982-1983	0.5%	8.8%	- 8.3%
1983-1984	2.4%	8.6%	- 6.2%
total	21.2%	39.2%	-18.0%

\* Source : Perspectives pour l'économie canadienne à moyen terme, 1980-1985, page 14.

\*\* Rajusté en fonction de l'Indice des prix à la consommation, de mars 1980 à mars 1981.

Cela signifie que le gouvernement entend réduire d'un cinquième, en dollars réels, les dépenses correspondant au Financement des programmes établis. Nous maintenons que votre Comité a été créé non pas pour offrir des conseils pour le renouvellement du F.P.E., mais plutôt pour approuver et autoriser la démolition de notre système universitaire et de nos régimes de soins de santé.

Le S.C.F.P. déplore cette situation intolérable et il exhorte les membres du Groupe de travail parlementaire à ignorer l'ordre de réduction qui a été donné et à proposer des solutions aux problèmes auxquels se trouvent confrontés nos hôpitaux, notre système de soins de santé, notre système d'éducation post-secondaire et les programmes de bien-être social.

Comme nous l'avons déjà souligné, cette réduction détonne avec l'expansion des dépenses dans l'enveloppe du développement économique. Pour ce poste, le budget prévoit une augmentation des dépenses de 21.6% pour 1981-1982 et de 13.5% en 1982-1983. Les dépenses dans le secteur de la défense seront augmentées de 16.6% en 1981-1982, de 12.6% en 1982-1983 et de 12% en 1983-1984. Cela reflète bien l'engagement pris par le gouvernement auprès de l'OTAN d'augmenter d'au moins 3% les dépenses réelles effectuées dans ce secteur. L'engagement conclu avec l'OTAN prévoit également une indexation automatique des dépenses. Ainsi, si le taux d'inflation augmente d'un bond, les dépenses dans le domaine de la défense seront automatiquement rajustées pour qu'il y ait une augmentation d'au moins 3% par rapport à l'Indice des prix à la consommation.

Ce n'est pas un pur hasard que les affaires sociales soient en bas et les affaires économiques et la défense en haut de l'échelle des priorités. Le gouvernement fédéral poursuit sciemment une politique de réaffectation des ressources des affaires sociales à d'autres programmes. Le ministre des Finances, M. Allan MacEachen, a dit cela maintes et maintes fois, et il a prononcé tout récemment devant le Groupe de travail parlementaire ce qui suit :

"Un mot maintenant sur les accords fiscaux et la stratégie budgétaire du gouvernement. Étant donné que, dans le cadre de son mandat, le groupe de travail doit examiner les accords fiscaux dans le contexte du plan de dépenses du gouvernement exposé dans le budget du 28 octobre 1980, j'aimerais souligner l'importance de l'examen de ces accords, pour la bonne mise en oeuvre de la stratégie budgétaire en 1982-1983, et au cours des exercices suivants. Au moment du budget, on était d'avis que des économies appréciables devaient être réalisées, au titre des transferts aux provinces qui font partie de l'enveloppe des affaires sociales, si nous voulions appliquer notre stratégie globale, en particulier pour ce qui est de la réduction du déficit de la réorientation des priorités de dépenses en faveur du développement économique. Je demeure de cet avis. L'aggravation récente des pressions inflationnistes rend encore plus nécessaire la poursuite de notre objectif.

J'ai également confirmé à la Chambre le 25 février, que, comme le prévoyaient les projections budgétaires, nous espérons réaliser des économies nettes de l'ordre de 1.5 milliard de dollars en 1982-1983, et en 1983-1984."

La tentative lancée par le gouvernement fédéral en vue de réduire sa part des programmes d'éducation, de soins médicaux et de bien-être social, qui sont financés dans le cadre d'accords de partage des coûts conclus avec les provinces, relève d'une politique générale de démantèlement des services publics et sociaux au pays. Même si votre Groupe de travail a été chargé d'examiner les arrangements de partage des coûts, nous ne pensons pas qu'il doive étudier ces questions isolément des politiques à application plus générale qui sont en train d'être élaborées.



#### IV LES TRANSFERTS FÉDÉRAUX-PROVINCIAUX NE SONT PAS RESPONSABLES DU DÉFICIT TOUJOURS CROISSANT DU GOUVERNEMENT FÉDÉRAL

L'une des raisons souvent avancées par le gouvernement fédéral pour justifier ces réductions des transferts aux provinces est qu'il doit diminuer son déficit toujours croissant qui devrait, selon les prévisions qui ont été faites, dépasser les 14 milliards de dollars dans le courant de la prochaine année fiscale. L'on ne peut examiner cet argument qu'en tenant compte des perspectives sur le plan des revenus. Le tableau qui suit donne les pourcentages des recettes du gouvernement fédéral en provenance de sources diverses, depuis la deuxième guerre mondiale.

Il indique qu'en 1947, 30% de tous les revenus fédéraux provenaient des impôts sur les revenus personnels. Cette part des revenus fédéraux est passée à 37% lors de l'avènement des assurances-hospitalisation et à 30% l'année suivant l'adoption de la Loi sur les soins médicaux, pour atteindre 45% aujourd'hui. Ce qui correspond à une augmentation de 52 pour cent.

Au cours de la même période, la part des revenus fédéraux en provenance des impôts sur les sociétés est passée de 23% en 1947 à 16% en 1980, tel que prévu, ce qui correspond à une réduction de 29%. Si les sociétés versaient aujourd'hui la même part des revenus qu'en 1947, le gouvernement fédéral disposerait de 3.5 milliards de dollars supplémentaires pour l'année financière en cours seule. Cela suffirait à maintenir voire même à augmenter les niveaux de financement des programmes établis. Le tableau ci-après illustre bien ces revirements. Plus troublant encore est le fait que si le secteur privé avait versé sa juste part des impôts pour la période allant de 1947 à 1980, le gouvernement fédéral aurait dans ses caisses 26.6 milliards de dollars supplémentaires.<sup>1</sup>

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<sup>1</sup>. Soit 22.73% des revenus fédéraux pour la période allant de 1947 à 1980.

SOURCES DES REVENUS FÉDÉRAUX - ANNÉES ÉCHANTILLONS

<u>Année</u>	<u>Impôts directs,</u> <u>particuliers</u>	<u>Impôts directs,</u> <u>sociétés</u>	<u>Impôts indirects</u>	<u>Autres</u>
	%	%	%	%
1947*	29.7%	22.7%	40.9%	6.7%
1957*	37.1%	20.6%	35.1%	7.2%
1967*	39.3%	16.3%	33.9%	10.5%
1979**	45.0%	16.7%	24.3%	14.0%
1980**	45.0%	16.0%	25.6%	13.4%

Sources : \* Compte-rendu de la situation économique, avril 1972,  
ministère des Finances, page 137

\*\* Le Budget, le 28 octobre 1980, page 23.

Nous aimerions d'autre part souligner que les très importants déficits que le gouvernement connaît depuis quelques années sont apparus dès que le gouvernement fédéral a abandonné ses politiques keynésiennes et commencé à réduire systématiquement le secteur public. Le problème a été aggravé par l'adoption en 1976 du freinage des salaires. D'autre part, la C.L.I. a aidé les sociétés à faire porter leurs profits de 20 milliards de dollars en 1976 à 34.3 en 1979. Ironiquement, ces mesures de contrôle des salaires ont également provoqué une importante réduction des revenus fédéraux provenant de l'impôt sur les revenus personnels, car les revenus réels ont accusé une baisse de plus de 5%. L'augmentation des impôts sur les profits des sociétés pour la même période de temps n'a pu récupérer qu'une très faible part de cette réduction. En aidant ses amis dans les salles de conseil des sociétés, le gouvernement fédéral a énormément miné sa propre situation financière.

Les très importants déficits qui ont été enregistrés ne sont pas dus à des augmentations importantes des dépenses gouvernementales. Ils s'expliquent plutôt par l'application de politiques économiques déflationnistes, par la prolifération de dépenses en impôts des sociétés et par la multiplication des subventions, des dons et autres faveurs accordés au secteur privé.

Si le gouvernement souhaite réduire ce déficit, il peut recourir à plusieurs solutions, sans avoir à réduire les services sociaux, éducationnels et médicaux.

Il pourrait, premièrement, reporter les impôts sur les sociétés au niveau qu'ils connaissaient dans les premières années de l'après-guerre. Les énormes profits réalisés par les banques, les sociétés pétrolières et de gaz naturel, l'industrie minière, le secteur de l'aménagement et du développement des terrains, l'industrie des ventes et locations immobilières et l'industrie forestière devraient constituer une source-clé de revenus fédéraux. Les sociétés qui oeuvrent dans ces divers secteurs peuvent très bien payer une plus juste part des coûts des programmes fédéraux.

Une deuxième méthode serait l'élimination des très nombreuses échappatoires fiscales instaurées depuis 1972. Étant donné la multitude de moyens que le gouvernement fédéral met à la disposition des sociétés et des riches particuliers pour échapper au percepteur, il ne faut guère s'étonner de l'accroissement que son déficit a connu ces dernières années.

Une troisième méthode serait de restreindre les énormes subventions octroyées à l'heure actuelle au secteur privé. Au lieu de multiplier les cadeaux qu'il fait dans le cadre de ce que l'on appelle euphémiquement les programmes de "développement économique", nous pensons que le gouvernement devrait prendre le secteur privé au mot et lui dire qu'il ferait mieux de se débrouiller tout seul plutôt que de s'attendre à ce que le gouvernement appuie ses investissements.

Les quelques propositions que nous venons de vous soumettre démontrent bien que le gouvernement fédéral est loin d'être obligé de réduire les dépenses faites dans l'enveloppe des affaires sociales. Bien d'autres possibilités s'offrent à lui. Pourtant, pour des motifs



politiques, il a choisi de faire subir au peuple canadien le poids de ses mesures d'austérité en s'attaquant à des services publics et sociaux essentiels.

Les mesures de réglementation des salaires mises en place par la Commission de lutte contre l'inflation et d'autres programmes économiques fédéraux ont provoqué un énorme déplacement des revenus des particuliers aux sociétés. En 1975, avant la pleine imposition de ces mesures de contrôle, les profits et intérêts comptaient pour 28.1% des recettes nationales totales. En 1979, cette même catégorie de revenus ne représentait plus que 26 pour cent des recettes nationales. (Les revenus touchés par les travailleurs et les autres Canadiens se sont trouvés proportionnellement réduits). C'est pourquoi nous pensons que les milieux d'affaires du Canada sont tout à fait en mesure de payer une part sensiblement accrue du financement des programmes sociaux.

PART DES PROFITS ET DES INTÉRÊTS DANS L'ACCROISSEMENTDU REVENU NATIONALPOURCENTAGE DU REVENU NATIONAL

	<u>Profits des sociétés</u> <u>avant versement</u> <u>d'impôts</u>	<u>Revenus d'investisse-</u> <u>ments et de place-</u> <u>ments</u>	<u>Total</u>
1972	13.6%	5.7%	19.3%
1973	16.3%	5.7%	22.0%
1974	17.6%	6.7%	24.3%
1975	15.2%	6.6%	21.8%
1976	13.5%	7.5%	21.0%
1977	13.8%	7.9%	21.7%
1978	14.5%	8.5%	23.0%
1979	16.9%	9.1%	26.0%

Source : Statistiques Canada, Compte des dépenses et des  
revenus nationaux

V LE BIEN-ÊTRE SOCIAL NE DEVRAIT PAS ÊTRE SACRIFIÉ POUR  
POUVOIR FAIRE DES CADEAUX AUX MILIEUX D'AFFAIRES

L'un des principaux motifs de l'attaque que le gouvernement mène contre les dépenses dans le domaine des affaires sociales est son désir d'offrir davantage de subventions et de faveurs aux sociétés. Les services publics seront réduits afin de transférer des ressources au secteur privé dans l'intérêt du "développement économique". La population active du pays, qui verse les taxes nécessaires pour financer les services sociaux et éducationnels, doit s'attendre à ce que ces services soient grignotés petit à petit. Et le gouvernement s'imagine qu'elle restera coite devant le renflement des profits des actionnaires des sociétés qu'alimenteront leurs dollars fiscaux.

Le gouvernement, se trouvant confronté au déclin du secteur manufacturier, à des taux d'inflation et de chômage élevés et à une économie stagnante, a décidé, selon la fausse hypothèse que c'est le secteur public qui est responsable de la crise économique actuelle, que la solution au problème réside en une diminution des services publics et sociaux. Même si plusieurs théories économiques à la mode prétendent que la clé du redressement est la réduction des dépenses fédérales et la diminution du rôle du gouvernement sur le plan de l'économie, ce n'est pas là notre avis.

Ni le recours au monétarisme ni l'application de politiques économiques axées sur l'offre ne résoudreont le problème, car l'analyse sur laquelle sont fondées ces théories est essentiellement fausse.

Les problèmes que connaît notre économie ne sont pas dus à une croissance excessive des services publics, mais plutôt aux lacunes et aux échecs du service privé. Les voici les sources de nos troubles économiques : le taux de propriété étrangère, notamment dans le secteur des ressources-clé, la monopolisation toujours



suffit de tourner son regard vers la Grande-Bretagne où Sir Keith Joseph et ses disciples monétaristes ont complètement ravagé la base industrielle du pays. Loin d'avoir déclenché une nouvelle vague de croissance et de prospérité dans le secteur privé, les coupures apportées aux dépenses publiques en Grande-Bretagne n'auront servi qu'à diminuer la demande et à amener à la faillite des milliers de sociétés manufacturières.

Selon le Manchester Guardian, la production industrielle aurait connu une réduction très importante chaque année depuis la mise en vigueur des politiques de Margaret Thatcher. En fait, son gouvernement semble avoir dégonflé l'économie suivant le modèle des politiques déflationnistes adoptées dans les années 1930. Plus troublant encore est le fait que l'investissement manufacturier, sur lequel est en définitive axé le développement futur du pays, continue de s'effondrer, malgré l'existence de cette masse de 2.5 millions de chômeurs. S'il est une leçon que le Royaume-Uni nous ait apprise, c'est que la réduction des dépenses publiques n'est pas une panacée pour les problèmes économiques du pays.

Pourtant, les gouvernements fédéral et provinciaux appliquent des politiques du même genre. On aurait tout lieu de croire qu'ils ont opté pour un chemin qui mène à la ruine, en provoquant une baisse de la demande et des investissements, une réduction des niveaux de services et une augmentation du taux de chômage.

Au lieu que de faire payer les simples citoyens pour les problèmes économiques du pays en réduisant les services dont ceux-ci peuvent bénéficier, nous proposons que les gouvernements axent tous leurs efforts sur la véritable source de nos problèmes, qui relève du secteur privé.

## VI LE DÉSÉQUILIBRE DES RELATIONS FISCALES ENTRE LES PROVINCES ET LE GOUVERNEMENT FÉDÉRAL

Un autre motif souvent cité pour justifier les réductions du F.P.E. est le soi-disant "déséquilibre" des relations fiscales entre les provinces et le gouvernement fédéral. On prétend que les transferts inter-gouvernementaux sont devenus si importants qu'il y a eu "détérioration de la situation financière du gouvernement" fédéral, au point où sa capacité de mettre en marche de nouvelles politiques est devenue très limitée". L'on prétend également, ce qui pourrait sembler quelque peu contradictoire, que les surplus provinciaux et les déficits fédéraux donneront lieu à un genre de "fédéralisme en damier".<sup>1</sup>

Le tableau qui suit vient réfuter le premier point. Il révèle que les transferts fédéraux aux provinces et aux municipalités comptaient pour une part plus importante des dépenses en 1977 (lors de l'abandon du partage des coûts) qu'aujourd'hui. Le gouvernement fédéral a déjà ainsi réduit ses transferts exprimés en pourcentage des dépenses. Plus étonnantes encore sont les projections établies à Ottawa, qui annoncent que les engagements fédéraux devront être ramenés à 10% des dépenses d'ici l'année 1983-1984. Il faut remonter jusqu'en 1965 pour trouver un pourcentage aussi bas. Par conséquent, le gouvernement fédéral compte retrouver les niveaux de financement qui existaient avant l'avènement des assurances frais médicaux et du financement des universités.

L'argument axé sur le "fédéralisme en damier" n'est fondé que sur le fait que trois provinces, à savoir la Colombie-Britannique, l'Alberta et la Saskatchewan, détiennent des surplus de fonds provenant des revenus d'exploitation de leurs ressources naturelles.

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<sup>1</sup>. Mémoire présenté au Groupe de travail par M. Allan MacEachen, ministre des Finances, le 23 avril 1981, page 2A:7 et page 2A:16.

croissante de tous les secteurs industriels et commerciaux; l'insuffisance des travaux de recherche et de développement entrepris dans les filiales des multinationales étrangères; les profits excessifs réalisés dans les secteurs bancaire, immobilier, du pétrole et du gaz naturel et des ressources; et l'absence de toute véritable planification économique, conformément aux désirs du secteur privé.

Ces mêmes facteurs sont d'ailleurs également à la source des problèmes financiers du gouvernement. D'après les chiffres établis par le ministère des Finances lui-même, en 1979, le gouvernement fédéral aurait perdu quelque 14 milliards de dollars au titre d'une vaste gamme d'exemptions fiscales. (Ces chiffres ne tiennent pas compte des pertes de revenus imputables à l'abolition, en 1972, des droits de succession.) Mais ce ne sont malheureusement pas les simples citoyens canadiens qui ont bénéficié de ces exemptions, mais plutôt les grosses sociétés et une poignée de très riches particuliers. Pour cette même année, l'aide totale offerte par le gouvernement aux sociétés s'était élevée à plus de 6 milliards de dollars, soit à peu près le montant prélevé auprès de cette même source sous forme d'impôts.

Étant donné l'échec de ces "mesures d'encouragement", visant à promouvoir le développement économique, la politique actuelle du gouvernement fédéral, qui veut remettre davantage encore de ressources au secteur privé, serait tout à fait dénuée de sens si ce n'était le désir du fédéral d'apaiser les détenteurs de capitaux dans ces entreprises qui ont beaucoup trop influencé la politique gouvernementale ces dernières années.

Outre les énormes épreuves que les compressions budgétaires récemment annoncées par le gouvernement fédéral feront subir au commun des Canadiens, celles-ci ne contribueront même pas à résoudre nos problèmes économiques. Pour comprendre cela, il



Pourquoi alors réduire le financement des services sociaux de base dans les 10 provinces? Il est tout à fait évident que ce sont les provinces démunies, notamment les Maritimes, qui souffriraient d'une telle stratégie. Paradoxalement, c'est exactement cela que provoqueraient les coupures budgétaires: un damier de services sociaux minant les normes nationales et creusant davantage les disparités régionales que le gouvernement fédéral se dit avide de supprimer.

TRANSFERTS EXPRIMÉS EN POURCENTAGE DES DÉPENSES FÉDÉRALES

<u>Année</u>	<u>Total des transferts fédéraux aux provinces et municipalités *</u> (en millions de dollars)	<u>Total des dépenses du gouvernement fédéral **</u> (en millions de dollars)	<u>Transferts exprimés en pourcentage des dépenses</u>
1947-1948	90.4	2,989	4.3%
1957-1958	347.8	5,422	6.4%
1967-1968	2,550.0	10,990	23.2%
1977-1978	12,740.7	43,758	29.1%
1979-1980	14,979.7	54,412	27.5%
1980-1981	16,581.5	63,550	26.1%

Sources : \* Comité du Sénat sur les Finances nationales, le 23 octobre 1980, page 114:53.

\*\* Richard Bird, Financing Canadian Government, 1979  
L'association canadienne d'études fiscales, p. 109;  
et le Budget, le 28 octobre 1980, page 23.

## VII INCIDENCE SUR L'EMPLOI

Les réductions des dépenses dans les domaines de l'éducation post-secondaire, des services hospitaliers, des assurances frais médicaux et du bien-être social provoqueront une hausse importante du taux de chômage, surtout dans les villes et les régions où ces services sont les principaux employeurs. Sans compter les épreuves sociales et économiques dont elles accableront les employés mis à pied, il y a lieu de se demander si elles seront accompagnées d'avantages économiques compensatoires.

Si le pays était dans une situation de plein emploi et de pénurie de main-d'oeuvre, la question de mise à pied ne serait pas très grave. En réalité, le taux de chômage se situe officiellement aux environs de 8% et il est sans doute beaucoup plus élevé si l'on tient compte des nombreuses catégories de personnes classifiées comme ne pouvant pas être employées et par conséquent exclues des chiffres. Une part importante des personnes mises à pied resterait donc sans emploi. Cela signifie que le gouvernement fédéral aurait à les aider par l'intermédiaire de prestations d'assurance-chômage, du bien-être social et d'autres programmes d'aide.

Cela nous amène à un autre point. Nous n'avons vu à ce jour aucune analyse économique des coûts supplémentaires que supposeraient les nombreuses mises à pied qu'envisage le gouvernement fédéral. Il y a lieu de se demander si le gouvernement fédéral a songé à tous les frais supplémentaires que devront assumer les divers paliers gouvernementaux pour venir en aide aux personnes dont les postes auront été éliminés. Dispose-t-il de chiffres au sujet des sommes supplémentaires qui devront être dépensées non seulement au titre de prestations d'assurance-chômage et de bien-être social, mais également des soins psychiatriques, des services sociaux, des programmes de recyclage et de tous les autres coûts sociaux qui vont de pair avec une montée en flèche du taux de

chômage? D'autre part le gouvernement a-t-il songé au fait que le taux de criminalité augmente parallèlement au taux de chômage? Si l'on tient compte de tous ces facteurs et du fait que le public souffrirait d'une réduction de services essentiels, il faut clairement remettre en question l'opportunité de ces coupures.

Il convient de souligner d'autre part que les services destinés à subir ces diminutions budgétaires sont ceux dont le rendement en main-d'oeuvre est le plus important. Dans ce secteur, les capitaux investis par les travailleurs sont très limités, contrairement aux industries forestière, manufacturière, de raffinerie du pétrole et autres. La stratégie économique du gouvernement fédéral envisage poursuivre le développement économique en transférant des ressources à des industries des secteurs privés que je viens d'évoquer. Pourtant, l'incidence que cela aurait en matière de création d'emplois ne correspondra qu'à une fraction minime des pertes associées aux licenciements dans la Fonction publique.

Nous sommes d'autre part préoccupés par le fait que les personnes qui feront l'objet de ces licenciements n'ont en général pas des aptitudes qui se prêtent facilement à d'autres domaines d'activité. Qu'advient-il par exemple du professeur de philosophie au chômage qui se cherche un emploi dans le cadre duquel il ou elle pourra mettre à profit sa formation? Si les aides-infirmiers voient leurs postes supprimés du service hospitalier, où trouveront-ils des emplois où ils pourront utiliser leurs aptitudes? Que feront les travailleurs sociaux lorsque les services sociaux des municipalités se rétréciront suite à ces coupures?

Nombre des aptitudes des diverses catégories de travailleurs du secteur public ne trouveront que très difficilement une application dans le secteur privé. Par conséquent, l'élimination d'un nombre important de postes de fonctionnaires résultera en un énorme gaspillage de talents humains, tant du point de vue des travailleurs



touchés que du public qui perdra les services que leur fournissent ces employés à l'heure actuelle. Dans cette perspective, les politiques du gouvernement fédéral semblent être myopes et gaspilleuses de ressources humaines.

Enfin, les hausses du nombre de chômeurs seront surtout enregistrées dans des régions comme les provinces maritimes, qui souffrent déjà démesurément de ce problème. Ces politiques ne feront donc qu'aggraver les disparités régionales qui sèment déjà la discorde au pays.

VIII LES ASSURANCES-HOSPITALISATION, LES ASSURANCES  
FRAIS MÉDICAUX ET LES SERVICES COMPLÉMENTAIRES  
DE SANTÉ MENACÉS

Les subventions fédérales accordées aux provinces au titre des assurances frais médicaux et des assurances-hospitalisation comptent pour la plus grosse partie du F.P.E. En 1975-1976, par exemple, la part correspondant aux assurances-hospitalisation s'élevait à 1.75 milliard de dollars, soit 57% du total, tandis que les assurances frais médicaux atteignaient 794 millions de dollars, soit 26% du total. En 1977, la participation fédérale s'est trouvée élargie grâce au Programme de services complémentaires de santé. En 1980-1981, 640 millions de dollars supplémentaires ont été transférés aux provinces en vertu de ce programme.

Comment se fait-il que le gouvernement fédéral joue un rôle si important dans le domaine de la santé, qui relève pourtant des provinces?

Tout simplement parce que le gouvernement fédéral s'est rendu compte de l'importance du principe d'accès universel et égal aux soins de santé, que ne pouvaient assurer plusieurs des provinces plus pauvres. C'est pourquoi il a élaboré un système de subventions conditionnelles en vue de promouvoir ce principe.

Celui-ci a été énoncé pour la première fois par la Commission Rowell-Sirois, créée en 1937 en vue d'examiner l'allocation constitutionnelle de sources de revenus et de fardeaux gouvernementaux au dominion et aux gouvernements provinciaux ... et son à-propos dans les circonstances actuelles." Cette commission est arrivée à la conclusion que les provinces n'étaient pas en mesure d'assumer les frais de l'aide sociale devenue si nécessaire et elle a recommandé l'instauration d'un système de "subventions de rajustement national" qui serait versées aux provinces afin de leur permettre de maintenir un certain niveau de services publics.

Ce principe a tout d'abord été appliqué au secteur des soins de santé. Dès 1948, le gouvernement fédéral octroyait aux provinces des subventions conditionnelles pour la construction d'hôpitaux, subventions qui correspondaient à un tiers des coûts. Ces mesures ont été suivies par l'adoption en 1957 de la Loi sur l'assurance-hospitalisation et les services diagnostiques, engageant le gouvernement fédéral à assumer, aux côtés des provinces, les frais d'exploitation des hôpitaux, selon une formule de partage 50/50.

En 1966, ce concept a été étendu à d'autres services médicaux. Avec l'adoption en 1966 de la Loi sur les soins médicaux, le fédéral acceptait de payer 50 pour cent des coûts d'un système provincial d'assurances frais médicaux qui satisfasse à ses exigences en matière de transférabilité, d'universalité, d'accessibilité et d'administration sans but lucratif par un organisme qui répond de ses opérations financières devant le gouvernement provincial.

Les soins de santé ne sont pas le seul domaine où le gouvernement fédéral se soit ingéré dans des responsabilités provinciales par le biais du partage des coûts et de l'octroi de subventions conditionnelles. En 1967, le gouvernement fédéral reconnaissait l'intérêt national que revêt l'éducation post-secondaire et décidait d'accroître les subventions accordées à ce secteur, comme nous le soulignons ailleurs dans le mémoire. Bien avant cela, la construction de la Trans-canadienne, qui avait pour but d'assurer un lien entre toutes les régions du pays, a été financée selon un schéma semblable. Dans tous les cas que je viens de citer, le gouvernement s'est appuyé sur le même raisonnement.

Le système des subventions conditionnelles, conçu en vue de maintenir des normes nationales, a été abandonné lors du renouvellement du F.P.E. en 1977. Le gouvernement fédéral décida alors qu'au lieu de partager les coûts, il limiterait les augmentations de ses dépenses aux activités qui contribueraient à la croissance économique générale. Les subventions conditionnelles se sont ainsi vu remplacées par un mélange de dons en espèces et de transferts de points fiscaux. En vertu de cet accord, le gouvernement fédéral transféra aux provinces 13.5 pour cent des impôts sur les revenus personnels et 1 pour cent



des impôts versés par les corporations.

Ce changement a été effectué sous prétexte d'accorder davantage d'autonomie aux provinces dans le domaine des soins de santé. On prétendait qu'elles travailleraient d'une façon plus efficace, si elles étaient seules responsables du contrôle des dépenses.

Au lieu de cela, nombre de provinces ont profité de l'occasion pour réduire leurs dépenses en matière de soins de santé. Ce problème est bien documenté dans un rapport inédit préparé par le ministère d'État pour le Développement social. Celui-ci révèle que la part provinciale des dépenses en matière de santé qui relèvent du F.P.E. est passée de 41 pour cent du total en 1975-1976 à seulement 27.8% en 1980-1981. La part fédérale est passée au cours de cette même période de 49 à 61%.

Les choses étant ainsi, l'on ne peut que se demander pourquoi le gouvernement fédéral a décidé de se retirer du programme de partage des coûts. N'est-il pas préférable de payer la moitié des coûts d'un régime de soins de santé réglementé conformément à des normes fédérales plutôt que plus de la moitié (et cela va toujours en augmentant) des frais d'un système qui n'est assujéti à aucune mesure de contrôle de la qualité?

A ce sujet, nous recommandons vivement aux membres du Comité d'étudier un article de Malcolm Brown, économiste en politique sociale de l'University of Calgary, paru récemment, qui figure à l'Annexe A. Le professeur Brown explique qu'il y a un rapport entre les changements apportés en 1977 au financement global des programmes établis et l'incidence toujours croissante de l'imposition des frais aux utilisateurs, du dépassement de tarifs et du déconventionnement des médecins. Il explique que certaines provinces, notamment l'Alberta, ont réduit leurs engagements financiers dans le domaine des assurances-maladie depuis 1977. Par ailleurs, il

rejette tout à fait le mythe suivant lequel les coûts des soins de santé s'emballaient, motif qu'a invoqué le gouvernement fédéral pour se retirer du partage des coûts.

Le professeur Brown étant un expert de renom dans le domaine, nous vous recommandons de l'inviter à comparaître devant votre Comité.

Nous allons maintenant passer à un examen plus détaillé de deux composantes du F.P.E., qui relèvent des soins de santé, à savoir les assurances-hospitalisation et les assurances frais médicaux, et vous présenter des preuves de violations de normes nationales commises dans le cadre de ces deux programmes.

a) Les assurances-hospitalisation

En vertu de la Loi sur les assurances-hospitalisation et les services diagnostiques, le gouvernement fédéral subventionne des services de consultation externe et des services pour malades hospitalisés.

Cette approche a néanmoins posé un certain problème: en effet, il a encouragé le recours aux soins en hôpital plutôt qu'à d'autres formules de traitement. Ces fonds ne pouvaient pas être affectés par exemple aux hôpitaux psychiatriques, aux maisons de repos pour personnes âgées, aux hospices, aux infirmeries et aux autres établissements de soins en résidence.

Cette forme de financement a d'autre part polarisé les priorités en matière de dépenses provinciales autour des soins hospitaliers, qui coûtent cher. Le meilleur exemple est celui du centre de soins communautaires (CSC). Le concept du CSC a été recommandé dans le rapport de 1969 du groupe de travail sur les coûts des services de santé en tant que solution de rechange à bas prix pour les soins hospitaliers. Les CSC, calqués sur les cliniques communautaires qui existaient déjà en Saskatchewan, fourniraient des soins préventifs

et de traitement; les médecins qui travailleraient dans ces cliniques, gérées par la communauté, toucheraient un salaire. Ce concept a été fortement appuyé par le rapport Castonguay-Nepveu produit au Québec en 1971 et par une étude spéciale réalisée en 1972 par le D<sup>r</sup> John Hastings pour le compte du ministère de la Santé et du Bien-être social. Le docteur Hastings avait alors recommandé que le gouvernement fédéral fournisse aux provinces la mise de fonds initiale pour leur permettre de mettre en place ces centres; mais sa proposition a été ignorée et les seules provinces qui sont dotées de CSC, sont celles qui sont convaincues du bien-fondé d'un système de services de santé qui a sa base dans la communauté, à savoir le Québec et la Saskatchewan. (Pour un historique plus détaillé des CSC, voir l'article tiré d'une publication intitulée Perception qui figure à l'Annexe B).

Il est intéressant de constater comment la position du gouvernement fédéral au sujet des CSC a changé au fil des ans. Dans un discours prononcé en 1969 par l'Honorable John Munro, alors ministre de la Santé et du Bien-être social, à l'occasion d'une conférence sur les assurances frais médicaux organisée par le Congrès du travail du Canada, on trouve une liste "des avantages du concept des centres de soins communautaires" :

- le consommateur joue un rôle au niveau de la planification, de l'élaboration et du fonctionnement de ces centres;
- le nombre important de patients et l'incidence plus élevée de problèmes médicaux rendent la spécialisation plus intéressante;
- les CSC peuvent offrir toute la gamme des services préventifs, diagnostiques et curatifs, et ce à des coûts inférieurs à ceux en vigueur dans les hôpitaux;
- les laboratoires, le matériel de radiographie et les autres instruments médicaux seraient plus facilement mis à la portée des intéressés, notamment dans les petits centres;



- les CSC peuvent offrir des services auxiliaires, comme par exemple, ceux d'un travailleur social ou d'un diététicien;
- les CSC amèneraient une meilleure distribution des médecins, car ceux-ci ne seraient plus tenus de s'installer à proximité des hôpitaux;
- la prestation de services de santé serait rendue plus rentable par le dépistage rapide des maladies et l'application systématique de mesures préventives.

Étant donné l'appui retentissant que réservait le gouvernement aux CSC en 1969, l'on se demande pourquoi il n'a pas trouvé bon d'encourager leur essor par le biais de système du partage des coûts.

#### Primes d'assurances-hospitalisation

La seule condition imposée aux provinces en vertu de la Loi sur l'assurance-hospitalisation est qu'elles "mettent à la disposition de tous les résidents des services assurés... selon des clauses et dispositions uniformes."

Nous aimerions souligner à ce sujet que ce critère éliminerait les primes d'assurances médicales telles qu'elles existent dans trois des provinces les plus riches, notamment l'Alberta, la Colombie-Britannique et l'Ontario. Les clauses et dispositions ne sont aucunement uniformes lorsque certaines provinces financent leur part des assurances-hospitalisation à partir de primes régressives, tandis que d'autres s'appuient sur un système progressif d'impôt sur le revenu. En 1976-1977, par exemple, les évaluations des primes en Alberta, en Colombie-Britannique et en Ontario s'élevaient à un total de 1,005 milliards de dollars, soit le quart de toutes les dépenses faites par ces provinces pendant cette année au titre des assurances-hospitalisation et des assurances-maladie.<sup>1</sup>

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<sup>1</sup>. Ces données sont tirées d'une étude inédite sur le F.P.E., préparée par le ministère d'État pour le Développement social.

Assurances soins médicaux

Le gouvernement fédéral, en vertu de la Loi sur les soins médicaux adoptée en 1966, a accepté de contribuer aux régimes d'assurances-maladie provinciaux qui satisfont aux critères suivants :

1. La garantie tous risques couvrant tous les services nécessaires dispensés par un médecin ou un chirurgien. Ce critère n'admet aucune limite monétaire ni exclusion, à moins que les services ne s'imposent pas du point de vue médical.
2. L'accès libre aux services indispensables. L'accès aux services assurés ne doit pas être entravé par des frais d'utilisation excessifs ou d'autres dispositions.
3. L'application universelle à tous les résidents assurables de la province participante, selon des conditions uniformes.
4. La transférabilité des prestations lorsque le bénéficiaire s'absente temporairement de sa province ou déménage dans une autre province participante.
5. L'administration sans but lucratif assurée par un organisme public, responsable de ses opérations financières devant le gouvernement provincial.<sup>1</sup>

Malgré ces normes, certains régimes provinciaux d'assurances-maladie sont minés par les déconventionnements des médecins, les dépassements de tarifs, l'imposition de primes et de frais aux utilisateurs. Le résumé, par province, qui suit donne quelques exemples des abus qui ont été commis.

TERRE-NEUVE

Le 1er avril 1978, Terre-Neuve imposait un tarif de \$3.00 par jour pour la salle, jusqu'à un maximum de 15 jours par admission. La province compte à l'heure actuelle 2 médecins qui dépassent les honoraires établis.

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<sup>1</sup>. Santé et Bien-être social, Soins médicaux - Rapport annuel, 1977-1978, p. 1.

ILE-DU-PRINCE-EDOUARD

L'an dernier, l'Ile-du-Prince-Edouard adoptait un nouveau système en vertu duquel les médecins peuvent envoyer des factures directement aux patients, qui se font rembourser par la suite. Il est évident que ce système facilitera le dépassement des tarifs. L'île compte à l'heure actuelle 5 médecins déconventionnés.

NOUVELLE-ÉCOSSE

D'après les renseignements dont on dispose, 3% de toutes les factures pour services médicaux dépassent le barème des tarifs provincial.

NOUVEAU-BRUNSWICK

Cette province, tout comme l'Ile-du-Prince-Edouard, permet l'envoi direct de la facture aux patients, qui sont remboursés par la suite. Il y a dépassement des coûts dans 2% des réclamations faites en vertu du Programme de soins de santé de la province.

QUÉBEC

Le Québec est l'une des deux seules provinces qui interdisent formellement le dépassement des tarifs. Seulement 10 spécialistes se sont exclus du régime provincial et leurs patients ne reçoivent aucun remboursement. Les frais autorisés sont de \$ 7.00 par jour dans les hôpitaux de soins de longue durée et dans les unités de soins de longue durée d'autres hôpitaux.

ONTARIO

L'Ontario permet aux médecins qui y exercent, de se déconventionner complètement. Une enquête effectuée récemment a révélé que 15.5% des médecins se sont exclus du RAMO et qu'entre 20 et 50% des médecins dépassent les tarifs. L'Ontario est l'un des pires contrevenants pour ce qui est du principe de l'accès universel aux services indispensables. L'Ontario Medical Association et le gouvernement ontarien se sont mis



d'accord, il y a deux semaines, sur un nouveau barème des tarifs qui comporte une augmentation de 14.75%. Malgré ce règlement fort généreux, la province n'a pas pu ou n'a pas voulu imposer une interdiction sur le dépassement des tarifs et le déconventionnement. En Ontario, les primes s'élèvent à \$ 20 par mois pour une personne seule et à \$ 40 pour une famille. Ces tarifs sont les plus élevés au pays.

### MANITOBA

Le Manitoba permet lui aussi le dépassement des tarifs, les médecins déconventionnés étant remboursés par le régime d'assurances-maladie pour la partie assurée des frais. Quelque 5.6 pour cent des factures dépassent le barème des tarifs provincial. Cette part est assez élevée étant donné que les communautés isolées de la province ne sont desservies que par un seul médecin. Depuis le 1er mai 1978, les hôpitaux du Manitoba exigent une somme de \$ 7 par jour des personnes hospitalisées sans raison médicale et les foyers exigent la même somme des personnes assurées qui y reçoivent des soins personnels.

### SASKATCHEWAN

En 1962, le gouvernement de la Saskatchewan a été obligé de permettre le dépassement des tarifs pour régler la grève des médecins. Aujourd'hui, 3% des factures dépassent le barème des tarifs, une situation que le ministre provincial de la Santé perçoit comme étant une menace à l'accès universel. L'ancien ministre de la Saskatchewan, M. Ross Thatcher, avait instauré un système d'imposition de frais aux utilisateurs (qui portaient à cette époque le nom fort à-propos de "honoraires modérateurs") que le gouvernement qui l'a remplacé a abolis par la suite. Des études ont révélé que ces honoraires modérateurs avaient amené une réduction de 7% du taux d'utilisation et une baisse de 18% des services médicaux offerts aux personnes à faibles revenus. 1.

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1. R. Beck, The Effect of Copayment on the Poor, Journal of Human Resources Vol 9 1974, pages 129 à 142, selon le manuscrit inédit de D. Swartz.

ALBERTA

Près de 38% des médecins albertains dépassent les tarifs et leur seule obligation légale est d'annoncer leurs intentions au préalable. La province a tout récemment institutionnalisé cette pratique en créant un comité chargé d'évaluer "l'équité" des charges supplémentaires. Cela servira bien sûr à légitimiser la procédure. L'Alberta impose à l'heure actuelle un tarif de \$5 pour le premier jour dans un hôpital de soins de courte durée et de \$ 5.50 dans un hôpital auxiliaire. D'autre part, depuis le 1er juillet 1978, les primes mensuelles s'élèvent à \$ 7.65 pour une personne seule et à \$ 15.30 pour une famille. Le barème des tarifs a été augmenté de plus de 15% pour chacune des deux dernières années, et malgré cela la province se refuse toujours à interdire le dépassement des tarifs.

COLOMBIE-BRITANNIQUE

La Colombie-Britannique est la seule province à part le Québec où le dépassement des tarifs n'est pas une pratique courante. Toutefois, lorsque la province a récemment pris des mesures pour interdire le dépassement des tarifs, les médecins ont réagi en supprimant certains services après avoir rejeté une augmentation proposée des tarifs de 15.2%. C'est la Colombie-Britannique qui a le système de frais autorisés le plus détaillé au pays : on demande \$1 par jour pour les services de clinique de consultation externe, \$ 4 par jour pour les soins offerts dans les hôpitaux, et \$ 6.50 par jour dans les hôpitaux de soins de longue durée. Les tarifs ne sont pas plafonnés. D'autre part, la province perçoit des primes mensuelles de \$7.50 pour une personne seule, de \$ 15 pour un couple et de \$ 18.75 pour une famille de trois personnes ou plus. Le système de la Colombie-Britannique est le seul qui prévoit des frais supplémentaires lorsqu'il y a des enfants à charge.

Cette litanie d'abus témoigne de la nécessité d'apporter des changements aux critères fédéraux applicables aux assurances frais médicaux. Nous exhortons le Comité parlementaire à accorder la plus haute priorité à l'étude de cette question.

### Les soins dentaires

Les soins dentaires comptent certainement parmi les domaines les plus délaissés de la santé publique. Malgré les efforts déployés ces dernières années pour sensibiliser les Canadiens à l'importance de l'hygiène buccale, nombre d'entre eux n'ont que très peu de contact avec les dentistes et se refusent à appliquer les pratiques de prévention de base, s'exposant ainsi au risque de souffrir plus tard d'une pyorrhée alvéolo-dentaire.

Peu de mesures ont été adoptées au niveau fédéral pour renverser ces tendances. Le seul financement fédéral prévu en vertu des régimes d'assurances-maladie couvrent certaines interventions chirurgico-dentaires, notamment les extractions, qui sont normalement effectuées à l'hôpital. Aucune autre aide fédérale n'étant fournie dans le domaine des soins dentaires, il n'y existe aucune norme nationale.

Ce fatras de régimes provinciaux de soins dentaires témoigne de cette absence de normes nationales. À ce jour, 6 provinces ont adopté des programmes de soins dentaires, mais ceux-ci ne s'adressent qu'à certaines tranches d'âge. Au Québec, en Nouvelle-Écosse, à Terre-Neuve, à l'Île-du-Prince-Édouard et en Saskatchewan, ces régimes protègent les enfants qui appartiennent à certains groupes d'âge, tandis qu'en Alberta ils protègent les citoyens âgés de plus de 65 ans. Le programme de la Saskatchewan met l'accent sur l'hygiène buccale et sur les méthodes de prévention de base, en envoyant des hygiénistes dentaires dans les écoles, tandis que les programmes des autres provinces utilisent les méthodes traditionnelles de prestation de soins.



Les assurances dentaires sont la seule solution dans les quatre autres provinces ainsi que pour les personnes appartenant aux tranches d'âge exclues des programmes. A l'heure actuelle, seulement 25% des Canadiens sont protégés par des régimes dentaires privés. Signalons d'autre part que ces programmes souffrent des mêmes problèmes d'accès que connaissait notre système de soins médicaux avant l'avènement de l'assurance frais médicaux :

- Les déductions sont imposées, ce qui entrave leur utilisation;
- Plusieurs régimes prévoient des co-assurances de, mettons, 20%, sans qu'il y ait de seuil maximal applicable aux coûts;
- Certains régimes imposent des avantages maximaux peu réalistes selon une base annuelle ou à perpétuité qui éliminent la possibilité de bénéficier d'une aide financière pour des traitements très coûteux, comme par exemple les traitements de canal;
- Les dentistes peuvent imposer les honoraires qu'ils veulent, puisqu'il n'existe aucun barème des tarifs;
- Les assurances dentaires ne sont offertes qu'à des groupes de personnes et elles doivent être autorisées par l'employeur. Elles excluent donc les personnes qui ne font pas partie de la population active et celles qui ne sont pas protégées en vertu de régimes parraînés par leur employeur. Il est quasiment impossible d'obtenir une assurance dentaire particulière à quelque prix que ce soit;
- Les assurances dentaires ne contribuent en rien à corriger le problème de l'insuffisance de l'accès aux services dentaires dans les communautés isolées, les régions plus démunies du pays et les provinces qui connaissent une pénurie de dentistes.

Ce méli-mélo de régimes de soins dentaires provinciaux et privés est tout à fait inadmissible dans un pays prospère et industrialisé comme le nôtre. C'est pourquoi nous encourageons vivement le Groupe de travail à examiner les régimes de soins dentaires provinciaux les plus réussis en vue d'élaborer un ensemble de normes nationales applicables dans le cadre d'un système de soins dentaires publics universels. Il faudrait d'autre part que le système choisi mette l'accent sur les soins préventifs. Il faudrait par ailleurs qu'il prévoit la participation d'hygiénistes dentaires, de centres de soins communautaires (CSC), ainsi que le recours à d'autres moyens de prestations de soins dentaires.

#### SERVICES COMPLÉMENTAIRES DE SANTÉ

En vertu des arrangements fiscaux conclus en 1977, des Services complémentaires de santé (SCS) ont été ajoutés au F.P.E., ce en vue d'aider les provinces à fournir certains services supplémentaires. Il s'agit des services suivants: les soins courants en maisons de repos, les soins en établissements pour adultes, les hôpitaux psychiatriques convertis, les soins à domicile (l'aspect santé), les soins ambulatoires.

En 1977-1978, la contribution fédérale au SCS a été de \$ 20 par habitant et il avait été prévu que celle-ci augmente chaque année.<sup>1</sup> Cette contribution étant néanmoins distincte des subventions conditionnelles existantes, elle ne suppose pas de contribution égale de la part des provinces.

Cette absence d'appui provincial est des plus évidente dans nos maisons de repos et nos établissements de soins de longue durée. Le personnel y touche un salaire de misère, y est surmené et ne dispose que d'un matériel de qualité douteuse et d'installations démunies.

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<sup>1</sup>. Santé et Bien-être social Canada, Soins médicaux - Rapport annuel, 1977-1978, page 5

Un autre aspect du F.P.E. qui est digne de mention est qu'il ne prévoit aucune disposition pour ce qui est des médicaments prescrits par ordonnance. Le prix d'achat des médicaments compte parmi les débours les plus importants que doivent assumer les malades. Certaines provinces offrent aux personnes du troisième âge des programmes d'aide pour le paiement des médicaments, tandis que d'autres ne prévoient rien du tout. Cela résulte en une protection "en damier", établie en fonction de son lieu de résidence et de son âge. Nous pensons que le Comité parlementaire devrait recommander l'instauration d'un programme national d'assurances-médicaments dans le cadre du financement des programmes établis.

L'application de cette proposition pourrait donner lieu à des économies importantes si le gouvernement fédéral négociait avec les compagnies pharmaceutiques les prix des médicaments vendus seulement sur ordonnance. Cela mettrait un terme aux sympathiques arrangements en vertu desquels les médecins prescrivent des médicaments de marque renommée en fonction du nombre d'échantillons gratuits et de cadeaux qu'ils reçoivent du fabricant. Par ailleurs, l'instauration d'un programme national d'assurances-médicaments réduirait les profits démesurément élevés que réalisent les sociétés pharmaceutiques.

#### DIMINUTION DE LA COLLECTE DE DONNÉES EN MATIÈRE DE SOINS DE SANTÉ

On a dit plus haut que les dépenses dans l'enveloppe des affaires sociales ont été sacrifiées pour favoriser le développement économique et l'accroissement des dépenses au titre du budget de la défense. Les deux exemples qui suivent illustrent bien comment le gouvernement fédéral, en plaçant mal ses priorités, a été amené à éliminer certaines pratiques de base de collecte des données dans le secteur des services de soins de santé :



- En 1978, le ministère de la Santé et du Bien-être social a entrepris ce qui devait être une étude annuelle des besoins médicaux et dentaires à l'échelle du pays. Cette pratique a été délaissée en 1979 lors de l'annonce des coupures budgétaires.<sup>1</sup>
- En 1979, 7 documents publiés depuis longue date par la division de la Santé de Statistique Canada ont été éliminés et remplacés par trois nouvelles publications. Ainsi, on ne peut se procurer des renseignements sur par exemple les dépenses des hôpitaux et les indicateurs de taux d'utilisation, que sous forme de résumés. D'autre part, la dernière publication de la série est parue en 1976. Par conséquent, lorsque les renseignements sont rendus publics ils sont pratiquement inutiles.

L'on se demande comment le gouvernement fédéral peut contrôler les dépenses provinciales et l'adhérence des provinces aux normes nationales, s'il n'effectue pas d'enquêtes de ce genre.

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<sup>1</sup>. The Globe and Mail, le 14 juillet 1979.

IX LE F.P.E. ET LES RÉDUCTIONS APPORTÉES AU BUDGET DES  
ÉTUDES POST-SECONDAIRES

Le secteur des affaires sociales qui semble faire l'objet d'un traitement particulièrement discriminatoire, est celui des études post-secondaires. Le ministre de la Santé et du Bien-être social, Mme Monique Bégin, a assuré les provinces qu'il n'y aurait aucune diminution importante portée au budget des assurances frais médicaux et des assurances-hospitalisation. Même si les intentions du gouvernement fédéral pour ce qui est des services sociaux administrés par les municipalités restent des plus vagues, il semblerait que le secteur qui sera le plus visé par les coupures budgétaires, sera celui des études post-secondaires.

D'après ce que nous avons compris, l'argument, outre celui des restrictions financières, sur lequel le gouvernement fédéral a fondé sa décision de limiter les fonds alloués aux études post-secondaires, est le fait que les provinces n'ont pas réussi à verser la même contribution que le gouvernement fédéral depuis l'adoption de la Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces et sur le financement des programmes établis. Nous ne doutons pas que le gouvernement fédéral verse à l'heure actuelle une part plus importante des coûts des programmes de santé et d'éducation post-secondaire qu'il y a 6 ans.

Le F.P.E. a été modifié en 1977, parce que le gouvernement fédéral s'opposait à la nature conditionnelle des arrangements de partage équitable des coûts conclus auparavant. En d'autres mots, les efforts déployés par le gouvernement fédéral pour limiter ses propres contributions comptent parmi les facteurs les plus importants qui ont amené le déséquilibre actuel au niveau des contributions fédérales et provinciales dans le domaine de l'éducation post-secondaire. Étant donné l'objectif qu'il s'était fixé, il n'a pas du tout hésité à accorder aux provinces un contrôle beaucoup plus

poussé de l'allocation des transferts fédéraux en espèces et des points fiscaux correspondants.

Puisque les programmes de frais médicaux et d'assurances-hospitalisation prévoyaient un certain nombre de critères auxquels devaient satisfaire les gouvernements provinciaux, la possibilité de ces derniers de transférer des fonds de F.P.E. prévus à cette fin à d'autres secteurs a été de beaucoup limitée. Cependant, le secteur de l'éducation post-secondaire n'étant pas assujéti à des normes semblables, les provinces ont pu affecter ces crédits à des fins toutes autres.

En Ontario, par exemple, les transferts fédéraux ont été utilisés de façon à ce que le gouvernement puisse maintenir au plus bas niveau les impôts provinciaux. Plusieurs organismes, dont l'Association canadienne des professeurs d'universités, le Conseil de planification sociale de la région métropolitaine de Toronto et le gouvernement fédéral lui-même, ont fait part au Groupe de travail des méthodes qui ont été employées à cette fin.

Lors de la négociation du F.P.E. en 1977, l'on pouvait déjà deviner que les provinces allaient affecter les fonds fédéraux à des fins autres que celles qui avaient été prévues. Il nous apparaît comme étant très clair qu'aux yeux du gouvernement fédéral la diminution de ses propres coûts l'emportait sur cette question. Le principe du maintien d'un système d'éducation post-secondaire de qualité élevée a été sacrifié en vue d'atteindre l'objectif à court terme de restriction fiscale. Puisque ces abus pointaient déjà à l'horizon en 1977, il est hypocrite pour le gouvernement fédéral de remettre tout le blâme sur le dos des provinces qui n'ont pas pu assumer leur part des coûts des programmes d'éducation post-secondaire.



Et voici que le ministre des Finances utilise ces abus pour justifier des restrictions au niveau des fonds fédéraux correspondants. Cet argument est tout à fait inadmissible, car les changements apportés au départ relevaient des politiques de restriction des coûts adoptées par le gouvernement fédéral.

X L'ÉDUCATION POST-SECONDAIRE JOUE UN RÔLE ESSENTIEL SUR  
LE PLAN DE LA SATISFACTION DES BESOINS SOCIAUX DE BASE

Le secteur de l'éducation post-secondaire a fait l'objet de nombreuses restrictions budgétaires, de part et d'autre du pays, notamment depuis l'adoption en 1977 des nouveaux arrangements de F.P.E. Il est bien sûr certain que les normes d'éducation appliquées dans les universités, les collèges communautaires et autres établissements d'enseignement, sont en train de se détériorer. D'autre part, le moral des enseignants, des chargés de cours et du personnel de soutien est en train d'en prendre un coup étant donné les mises à pied, les charges de travail toujours croissantes, les compressions budgétaires, le rabaissment des normes d'entretien et tous les autres sous-produits de l'application de mesures de restriction draconiennes. En fait, les vrais perdants sont les étudiants.

Ainsi, l'incidence des coupures budgétaires proposées sera tout à fait dévastatrice. Pourtant, nombre de membres du gouvernement fédéral restent indifférents devant la destruction de notre système d'études post-secondaires. Certains pensent même que c'est là un luxe superflu que l'on ne peut plus se payer.

Le Syndicat canadien de la fonction publique pense que cette attitude découle d'une fausse interprétation du rôle que joue l'éducation post-secondaire au sein de notre société. Puisqu'il semblerait que ce soit ce secteur qui aura à subir le gros des coupures, nous pensons qu'il convient d'expliquer brièvement pourquoi l'éducation post-secondaire joue un rôle si essentiel pour la société canadienne dans son ensemble.

La première et la plus évidente des raisons est que l'éducation en soi est souhaitable socialement et constitue un objectif personnel dont la réalisation procure beaucoup de satisfaction. Dans une société où la course à l'achat de toute une gamme de biens de consommation et à l'affectation de milliards de dollars à l'industrie des loisirs est encouragée, il est fort étrange que nous ayons à justifier des dépenses effectuées dans le domaine de l'éducation. L'importance que revêt la possibilité d'obtenir une éducation post-secondaire est des plus évidentes, si l'on tient compte des bienfaits que cela procure aux personnes qui ont ainsi l'occasion d'accumuler des connaissances et d'en jouir.

Le bon fonctionnement d'un système d'éducation post-secondaire est l'un des éléments essentiels de toute société civilisée. Il nous apparaît par conséquent que les ressources que nous lui octroyons sont tout à fait justifiées. Si l'on considère l'éducation post-secondaire comme étant une forme de consommation (et l'on pourrait adopter bien d'autres approches), il nous semble que c'est là un type de consommation beaucoup plus valable dans le contexte social que tout ce que nous propose le secteur privé.

Par ailleurs, en examinant la façon dont seront dépensés les fonds présentement alloués à l'éducation post-secondaire, si M. Allan MacEachen poursuit son programme de transfert des ressources, on constate qu'ils seront utilisés de façon beaucoup moins utile socialement parlant. Ces sommes d'argent, au lieu d'aider des Canadiens à s'épanouir et à s'améliorer, seront consacrées à subventionner les investissements et les profits des sociétés. Elles seront gaspillées dans ce que l'on appelle communément des programmes de développement, qui visent essentiellement à transformer les recettes publiques en bénéfices privés.

Le Conseil économique du Canada a déclaré :



"Dans ses travaux antérieurs, le Conseil économique a longuement examiné le rôle de l'éducation dans la croissance de notre économie et dans l'évolution de notre société. Ici, il continue l'étude de ce sujet dans le cadre du processus de prise des décisions décrit dans les chapitres précédents.

Au cours des dix dernières années surtout, le Canada a consacré à l'éducation un volume considérable de ressources humaines et financières. Au début des années 1960, il était généralement reconnu que notre croissance industrielle et économique dépendait en partie d'une offre suffisante de main-d'oeuvre possédant les qualifications professionnelles voulues. En outre, une proportion élevée de la main-d'oeuvre qualifiée et professionnelle venait de l'étranger. Il ne nous semblait pas souhaitable que nous dépendions à un tel point de l'étranger pour le recrutement de la main-d'oeuvre qualifiée, d'autant plus que cette source pouvait bien se tarir à long terme. C'est pourquoi nous avons considérablement élargi les cadres de notre système d'enseignement et, aujourd'hui, un nombre sans précédent de Canadiens fréquentent nos institutions d'enseignement surtout du niveau post-secondaire. Parallèlement au système d'enseignement régulier, une expansion rapide s'est produite aussi dans les autres activités d'enseignement.

La majeure partie de cette expansion de l'éducation régulière a été financée par les recettes fiscales : en 1960 aussi bien qu'en 1967, environ 90 p.100 du coût total de l'enseignement scolaire et de la formation professionnelles ont été acquittés par le secteur public. Pour donner une idée de l'ampleur de cette expansion, il suffit de signaler que la part des sommes affectées à l'enseignement dans l'ensemble des dépenses publiques totales est passée d'un peu moins de 15 p. 100 en 1960 à environ 20 p. 100 en 1967, et à une proportion encore plus élevée en 1970. Au fur et à mesure qu'augmentaient ces dépenses, les responsables et l'opinion publique sont devenus de plus en plus intéressés aux objectifs de l'enseignement, au degré de réalisation

de ces objectifs ainsi qu'à la nature et à l'importance des bénéfices provenant de l'éducation en regard de son coût croissant.

Le Conseil partage cet intérêt et ces préoccupations. Dans notre Sixième Exposé annuel, nous avons estimé que les dépenses consacrées à l'éducation augmenteront, en dollars constants, de quelque 8.5 p. 100 par an au cours de la période de 1967 à 1975, en supposant que l'activité économique se rapprochera de son potentiel vers la fin de cette période. Depuis 1967, l'augmentation des dépenses a, de fait, dépassé considérablement ce taux de 8.5 p. 100, même si l'activité économique est restée bien en dessous du potentiel. Ce n'est qu'une raison de plus qui doit nous inciter à nous assurer que les systèmes d'enseignement fonctionnent bien et avec efficacité.

La découverte des moyens d'utiliser nos systèmes d'éducation de la façon la plus efficace s'est avérée pour le moins difficile. D'une part, nous ne possédons pas les données nécessaires, et, d'autre part, le rôle de l'éducation dans notre système social n'est pas entièrement connu. Il n'y a encore aucun accord sur l'importance relative qu'il faut donner aux différents objectifs en matière d'éducation, ni sur la façon d'atteindre ces objectifs dans les systèmes d'enseignement. En outre, le développement insuffisant de méthodes systématiques de formulation et d'analyse des politiques et des programmes pose d'autres problèmes.

C'est pourquoi, dans les pages qui suivent, nous ne pourrons donner des réponses définitives aux diverses questions qui se posent. L'analyse se fonde sur des données très agrégées et se limite aux aspects quantifiables de l'éducation. Nous aurons besoin de bien plus de renseignements si nous voulons améliorer la qualité des décisions sur les politiques et les programmes dans un domaine aussi complexe. Le présent chapitre montre, toutefois, l'influence et les interdépendances d'un certain nombre de facteurs qui interviennent dans le processus d'enseignement. Il permet aussi de se poser des questions sur l'importance

relative donnée aux divers objectifs dans les systèmes d'enseignement au Canada, sur les moyens employés pour atteindre ces objectifs et sur l'efficacité et l'équité avec lesquelles les ressources affectées à l'enseignement sont employées. Ce n'est que lorsqu'on disposera d'une information plus adéquate et de méthodes d'analyse perfectionnées que l'on pourra tirer des conclusions définitives sur la nécessité et l'efficacité des divers programmes et politiques.

La discussion dans ce chapitre porte sur les quatre points suivants :

- les objectifs généraux des politiques en matière d'éducation;
- la nécessité de mesures de la production permettant d'évaluer l'efficacité des politiques et des programmes en fonction des objectifs;
- le calcul de mesures approximatives de certains aspects économiques de la production réalisée par le système d'enseignement; et
- les aspects redistributifs des dépenses dans le domaine de l'enseignement post-secondaire.

#### OBJECTIFS DES POLITIQUES EN MATIÈRE D'ÉDUCATION

Avant tout, l'éducation est un enrichissement potentiel de la vie personnelle, parce qu'elle développe et raffine facultés, talents et attitudes. Si la population s'est montrée généralement disposée à appuyer les activités d'enseignement, dans des limites raisonnables, c'est parce que, en partie au moins, elle a reconnu que les bénéfices qui découlent de l'éducation vont aussi à la société dans son ensemble, et non seulement à ceux qui la reçoivent. Cependant, la connaissance de la nature et de la somme de ces bénéfices devient une préoccupation majeure lorsque les coûts de cette activité haussent rapidement comme c'est le cas au Canada depuis quelques années. Malheureusement, l'identification et la quantification des bénéfices de l'enseignement



s'avèrent difficiles. Il n'en reste pas moins vrai, toutefois, que l'éducation apporte une contribution importante à deux des objectifs fondamentaux de la société, soit la croissance économique et le développement culturel. De plus, puisque le système d'enseignement joue un rôle considérable dans la répartition, au sein de la société, des qualifications et des attitudes favorables à la croissance économique et au développement culturel, l'éducation peut avoir une influence décisive sur un troisième grand objectif de notre société, celui de l'égalité des chances pour tous."<sup>1</sup>

D'autre part, les universités et les collèges communautaires effectuent beaucoup de travaux de recherche tant théoriques qu'appliqués. Le besoin de mettre davantage l'accent sur la recherche et le développement a déjà été longuement expliqué par le Conseil des sciences ainsi que par d'autres organismes et même par le gouvernement fédéral lui-même. Ce n'est pas le secteur privé qui fournit le gros des efforts de recherche et de développement déployés au Canada, mais plutôt le système éducatif post-secondaire subventionné par l'État. Comme le sait bien le gouvernement, les succursales américaines situées au Canada ne s'intéressent guère à mener sur place des programmes de recherche et de développement. Ce n'est que lorsque le gouvernement leur offre des subventions qu'elles acceptent de réaliser des recherches au Canada. Je soulignerais d'autre part, qu'une fois les recherches terminées, c'est en général la société-mère qui hérite du brevet d'invention.

Le transfert au secteur privé de fonds traditionnellement alloués aux universités pour la recherche et le développement provoquera la perte d'aptitudes vitales et d'une importante capacité de recherche. Il amènera également l'élimination d'un certain nombre d'emplois. Enfin, il viendra aggraver les problèmes dont souffre notre économie qui est par trop axée sur les activités de succursales étrangères, puisque le public ne sera plus en mesure de contrôler le résultat des travaux de recherche qu'il aura financés.

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<sup>1</sup>. Le Conseil économique du Canada, 8e Rapport annuel, septembre 1971, p. 223.

Comme nous l'avons déjà dit plus haut, les réductions dans le secteur de l'éducation post-secondaire creuseront davantage les disparités régionales. Elles aggraveront également le problème du chômage, surtout dans les régions qui souffrent déjà plus que les autres de ce grave problème social. Elles résulteront en dernier lieu à l'élimination pour des dizaines de milliers de Canadiens de la possibilité d'apprendre, de se perfectionner et de pousser plus loin leur formation.

Nous ne nions pas, ne serait-ce pour un instant, que nos établissements d'enseignement post-secondaire connaissent des problèmes. Nous reconnaissons qu'au niveau universitaire surtout les possibilités d'accès sont de beaucoup réduites pour le gros de la population active. Nous reconnaissons d'autre part que ce sont les membres des classes sociales privilégiées qui bénéficient le plus de ces programmes. Mais la solution n'est pas de démanteler les établissements post-secondaires, mais plutôt de modifier leurs politiques afin que celles-ci satisfassent mieux aux besoins des travailleurs canadiens. C'est pourquoi nous condamnons catégoriquement les coupures budgétaires prévues par le gouvernement fédéral.

## XI LES FINANCES MUNICIPALES LAISSÉES POUR COMPTE

Bien que nombre de questions aient été soulevées dans le cadre des discussions portant sur les transferts entre le gouvernement fédéral et les provinces, nous pensons que l'on n'a pas accordé suffisamment d'attention aux problèmes financiers très réels que connaissent les gouvernements municipaux. Ceux-ci sont responsables d'assurer la prestation de toute une gamme de services sociaux. Ils sont également responsables d'un certain nombre de programmes sociaux importants comme par exemple les garderies d'enfants. Certes, la réglementation des gouvernements municipaux relève surtout des provinces. Mais le gouvernement fédéral a déjà reconnu qu'il a une part de responsabilité pour ce qui est de garantir à tous les Canadiens l'accès à des services sociaux adéquats. Cette responsabilité se trouve reflétée dans l'élaboration d'un certain nombre de programmes en vertu du Régime d'assistance publique du Canada.

La raison pour laquelle les gouvernements municipaux ont besoin d'aide est très claire : ils ne disposent pas des ressources financières nécessaires. En effet, ils n'ont pas la juridiction fiscale qui leur permettrait d'accumuler les fonds dont ils ont besoin pour payer les coûts des services que les résidents locaux s'attendent à recevoir. Leur principale source de revenus indépendants, l'impôt foncier, est régressive, inéquitable et assujettie à nombre de restrictions politiques. Environ la moitié de l'argent dépensé par les municipalités leur provient d'autres paliers gouvernementaux sous forme de transferts. Cependant, les gouvernements provinciaux, qui ne bénéficient d'aucune reconnaissance publique pour les programmes municipaux qu'ils appuient, ont parfois été tentés de diminuer leurs transferts aux municipalités chaque fois qu'il a fallu limiter les dépenses. Les politiques de plus en plus grippe-sous adoptées par les gouvernements fédéral



et provinciaux signifient que les municipalités ne reçoivent pas les fonds dont elles ont besoin pour remplir leurs obligations envers le public.

C'est pourquoi le niveau des services municipaux offerts au Canada est de beaucoup inférieur à celui que connaissent la plupart des pays de l'Ouest. Les gouvernements municipaux ne parviennent pas à satisfaire à tous les besoins sociaux essentiels, étant donné l'insuffisance des fonds mis à leur disposition pour élaborer les programmes qui s'imposent. Nous n'offrons par exemple pas suffisamment de services aux personnes du troisième âge. Je songe par exemple à la livraison à domicile de repas, aux services de visite, aux logements subventionnés et à toute une gamme d'autres services dont pourraient bénéficier les personnes âgées. Nous ne satisfaisons pas non plus à nos obligations vis-à-vis des personnes handicapées. Nombre d'handicapés doivent s'en remettre à des sociétés privées de bénévoles qui ne peuvent pas leur fournir systématiquement toute l'aide dont ils ont besoin. Notre société ne s'est pas non plus dotée de l'infrastructure nécessaire pour aider les familles uni-parentales, les enfants nécessitant des soins spéciaux et les autres catégories de personnes qui connaissent des problèmes particuliers. Citons également nos services de garderie qui sont scandaleux, compte tenu des besoins réels du pays sur ce plan.

Au début des années 1970, lors de l'élaboration du Régime d'assistance publique du Canada, on avait envisagé que le gouvernement fédéral joue un rôle beaucoup plus important en appuyant ces services grâce à une aide financière accrue. Malheureusement, nombre des idées lancées à cette époque n'ont été que partiellement ou pas du tout mises en application.

Je vais, pour illustrer ce point, vous donner un petit exemple. Le gouvernement fédéral offre des subventions pour les services de garderie, dans le cadre du Régime d'assistance publique du Canada. Ces subventions sont calculées en fonction des besoins financiers ou des niveaux de revenus des parents. (Ce sont là les deux formules pour lesquelles peuvent opter les provinces.) Le financement fédéral se limite cependant à l'aide fournie aux parents à faibles revenus. Il ne prévoit pas du tout de fonds pour la construction de garderies d'enfants. Il ne vient d'autre part pas en aide aux enfants dont les parents ne sont pas admissibles parce que leurs revenus sont trop élevés. Par conséquent, seul un très faible pourcentage des familles bénéficient de ces subventions.

La Loi sur le Régime d'assistance publique du Canada permet d'autre part aux provinces de jouer le rôle de gendarme et de déterminer quelles municipalités peuvent bénéficier de fonds dans le cadre de la prestation de ces services. Ainsi, les municipalités qui veulent offrir des services de garderie (même dans le contexte du système grippe-sous en vigueur à l'heure actuelle) peuvent voir leur demande refusée par des gouvernements provinciaux qui ne souhaitent pas payer leur part des coûts. D'autre part, puisque les municipalités ne disposent que de fonds très limités et dépendent dans une large mesure de l'aide des gouvernements provinciaux, il leur est quasiment impossible de se procurer les ressources nécessaires pour assumer elles-mêmes les frais de ces services.

Ainsi, bien que le R.A.P.C. doive en théorie encourager la multiplication des garderies d'enfants d'un bout à l'autre du pays, la façon dont le système a été mis en place permet aux gouvernements provinciaux d'empêcher en définitive l'essor de notre système de garderies. Par conséquent, plusieurs familles qui seraient admissibles au Régime d'assistance publique du Canada ne peuvent pas en bénéficier parce que les provinces n'ont pas fait le nécessaire pour assurer un nombre suffisant de centres pour satisfaire aux besoins.

Sur le plan d'une politique sociale plus large, le gouvernement fédéral a en fait laissé s'esquisser un méli-mélo confus et désordonné de services, chose à laquelle il se dit opposé. Certaines régions offrent des services de garderie et d'autres services sociaux, tandis que d'autres régions n'offrent rien du tout. Le système contribue donc à creuser l'inégalité entre les Canadiens, car il ne comporte aucun mécanisme qui permettrait d'assurer l'application à l'échelle du pays de normes uniformes.

Malgré l'opposition souvent manifestée par le gouvernement fédéral à l'idée d'un système de services sociaux et publics "en damier", celui-ci n'a pas pris les mesures qui s'imposaient pour empêcher un développement inégal des services sociaux au pays. Étant donné les pénuries de ressources dont souffrent les municipalités, nous pensons qu'il incombe au gouvernement fédéral d'assurer que des arrangements de partage des coûts soient négociés avec les provinces en vue de redresser la situation.

Les besoins sociaux du commun des Canadiens, besoins qui ont été reconnus lors des premières discussions au sujet du R.A.P.C. et d'autres programmes de bien-être social, ne sont pas plus prêts d'être satisfaits aujourd'hui qu'il y a dix ans. L'actuel climat économique a même réduit les normes applicables à plusieurs services. Nous pensons qu'au lieu de réduire les programmes de bien-être social, comme le régime d'assurance publique du Canada, pour pouvoir offrir davantage de subventions au secteur privé, le gouvernement devrait octroyer davantage de fonds à ce secteur pour ramener ces services à un niveau national uniforme acceptable.

Peut-être conviendrait-il que nous défendions plus fermement notre point de vue. Nous pensons que le niveau actuel des services sociaux fournis par les municipalités est tout à fait insatisfaisant, étant donné les besoins très réels des handicapés, des personnes du troisième âge, des enfants en âge pré-scolaire et d'autres groupes de citoyens.



Si nous voulons assurer au pays la prestation de services sociaux décents et civilisés, il incombe au gouvernement fédéral de mettre au point les mécanismes financiers et constitutionnels qui permettront de garantir la prestation de ces services.

## XII LES INÉGALITÉS SE CREUSERONT ET SE MULTIPLIERONT

Le Syndicat canadien de la fonction publique craint également que les propositions budgétaires du gouvernement fédéral ne mènent à une aggravation des inégalités dont souffre déjà notre société. Cela s'explique du fait que la plupart des services qui subiront les coupures sont assurés selon une formule universelle à tous les Canadiens, quel que soit le niveau de leurs revenus. La lutte pour obtenir les assurances frais médicaux, les assurances-hospitalisation, le subventionnement des études post-secondaires, les garderies d'enfants et d'autres services sociaux avait d'autre part pour objet de réduire les disparités enregistrées au niveau des conditions de vie des Canadiens et d'assurer que les travailleurs ne se voient pas refuser des services parce qu'ils ne disposeraient pas de revenus suffisamment élevés pour pouvoir se les payer eux-mêmes.

L'objectif de l'accès universel à des services de qualité élevée est fondamental au maintien d'une société décente et civilisée. Ce principe, ajouté à la mise en place de normes nationales, assurerait aux citoyens de toutes les provinces l'accès aux mêmes niveaux de services et donnerait lieu à une égalisation de la qualité des services publics dont bénéficient tous les citoyens, quels que soient leur lieu de résidence, leurs revenus, leur origine ethnique ou tout autre facteur qui pourrait entrer en ligne de compte.

Les services publics comme les assurances frais médicaux, les assurances-hospitalisation, les garderies et les études post-secondaires ont une incidence redistributive surtout lorsqu'ils sont financés par l'impôt progressif sur le revenu. Bien que notre système fiscal ne soit pas équitable selon nous (en effet, les travailleurs paient beaucoup trop, tandis que les sociétés et les riches particuliers

ne paient pas assez), le transfert des ressources du secteur public au secteur privé amènerait une multiplication des inégalités et imposerait des épreuves sur les catégories de la population qui sont les moins en mesure de s'en sortir.



### XIII DES NORMES NATIONALES DOIVENT ÊTRE MAINTENUES

Des représentants du gouvernement fédéral ont à plusieurs reprises souligné leur vœu d'empêcher le développement "en damier" des services publics au Canada. L'un des arguments le plus souvent invoqués pour appuyer l'idée de la renégociation des arrangements de partage des coûts est le fait que les provinces ne soient pas parvenues à payer leur part des coûts des divers programmes prévus en vertu des accords au sujet du Financement des programmes établis et du Régime d'assistance publique au Canada.

Selon nous, les programmes éducatifs, médicaux, hospitaliers et sociaux se trouvent aujourd'hui aux prises avec les plus virulentes attaques menées contre eux depuis leur création. Il ressort de l'analyse des discussions qui se sont déroulées au sujet de l'avenir du Régime d'assistance publique du Canada et des accords de Financement des programmes établis que les normes en matière d'éducation et de bien-être social, telles que nous les connaissons aujourd'hui, se trouvent très gravement menacées. Malheureusement, les besoins essentiels des Canadiens se trouvent noyés dans le conflit au sujet des responsabilités en matière de crédits et de paiement des coûts de ces programmes de base qui opposent les gouvernements fédéral et provinciaux.

Le gouvernement fédéral est, selon nous, responsable d'assurer le maintien de normes nationales. Un travailleur vivant au Cap Breton devrait avoir accès aux mêmes assurances-maladie, assurances-hospitalisation et autres services qu'un travailleur habitant Montréal, Vancouver, ou Moose Jaw. Nous pensons d'autre part que là où les provinces n'ont pas été en mesure d'assurer l'aide financière nécessaire pour maintenir ces normes, c'est au gouvernement fédéral qu'il revient de prendre certaines mesures pour corriger la situation. Mais ce n'est pas à nous de soumettre un schéma de travail au gouvernement. Toutefois, étant donné les sommes d'argent que le

gouvernement fédéral affecte à l'heure actuelle à ces programmes, nous pensons qu'il serait difficile pour les provinces de prétendre qu'elles n'ont aucune obligation pour ce qui est du maintien de normes nationales.

Ce que l'on entrevoit malheureusement, c'est l'adoption de la part du gouvernement fédéral d'une attitude en vertu de laquelle il se retirerait tout simplement de certains domaines de financement. En effet, au lieu d'exercer des pressions sur les provinces pour que celles-ci remboursent les fonds qu'elles auraient dû investir dans ces programmes, le gouvernement a préféré axer tous ses efforts sur l'identification de méthodes à mettre en oeuvre pour réduire ses obligations en matière de dépenses.

Le conflit qui oppose, d'une part, les provinces, qui veulent bénéficier inconditionnellement de fonds et d'impôts fédéraux pour utiliser cet argent à d'autres fins et, de l'autre, le gouvernement fédéral, qui ne veut plus financer des programmes s'il n'y a aucune reconnaissance publique de sa participation, est en train de créer une situation dans laquelle les deux paliers gouvernementaux retirent leur appui de ces programmes en utilisant comme prétexte pour la réduction de leurs dépenses les politiques appliquées par les autres.

Nous partageons le point de vue du gouvernement fédéral suivant lequel les sommes d'argent transférées aux provinces en vertu du programme de F.P.E., notamment en ce qui concerne les études post-secondaires, ne devraient pas être affectées à d'autres fins. Pour empêcher ces abus, il faudrait établir des lignes directrices très claires au sujet de la façon dont l'argent transféré devrait être dépensé, plutôt que d'éliminer les transferts eux-mêmes.

### RECOMMANDATIONS

1. La réintégration immédiate des 1.5 milliard de dollars amputés à l'enveloppe des affaires sociales, amputation annoncée en octobre dans le budget de 1980.
2. La modification des priorités du gouvernement afin que celui-ci n'augmente pas les dons et les subventions qu'il fait au secteur privé. L'objectif à viser devrait être l'élargissement des programmes sociaux et éducationnels.
3. L'imposition d'une surtaxe sur les profits des sociétés en vue de rétablir leur part traditionnelle des revenus du gouvernement fédéral.
4. L'établissement et la mise en application de normes nationales dans le domaine des soins de santé, des études post-secondaires et des services sociaux. La prestation d'aide financière par le gouvernement fédéral devrait se faire en fonction de l'engagement des provinces et des municipalités à payer une juste part des coûts que supposerait le maintien de ces normes.
5. La re-négociation du F.P.E. de façon à ce que les provinces, notamment l'Ontario, qui ont utilisé les versements en impôts et en espèces que leur a faits le gouvernement fédéral à des fins autres que le maintien de l'éducation post-secondaire, des assurances frais médicaux, des assurances-hospitalisation, soient obligés de restituer ces fonds aux programmes en question.
6. La suppression du dépassement des tarifs par les médecins, grâce à la limitation de l'aide fédérale accordée aux provinces qui n'interdisent pas cette pratique.
7. La négociation par le gouvernement fédéral de nouveaux accords avec les provinces en matière de financement des hôpitaux en vue de



supprimer les primes d'assurances payées à l'heure actuelle en Ontario, en Alberta et en Colombie-Britannique.

8. La mise en vigueur par le gouvernement fédéral, en consultation avec les provinces, d'un système universel de soins dentaires qui protégerait tous les Canadiens. Ce système, comme son prédécesseur, le système des assurances frais médicaux, devrait être financé selon une formule de partage des coûts et s'appuyer sur des normes nationales clairement définies.
9. La mise en place d'un programme national d'assurances-médicaments, dans le cadre du financement des services complémentaires de santé.
10. L'établissement d'une commission royale d'enquête chargée d'étudier les relations fiscales entre le gouvernement fédéral et les provinces dans le domaine de l'éducation post-secondaire. Cette commission devrait entre autres étudier les coûts sociaux et économiques des coupures budgétaires effectuées dans ces secteurs.
11. La création d'une commission royale d'enquête chargée d'étudier les services sociaux administrés dans le cadre du Régime d'assistance publique du Canada et d'autres programmes de partage des coûts en vue de mettre sur pied un système compréhensif et équitable de services à l'échelle du pays. Cette commission devrait également formuler des recommandations au sujet des mesures à adopter pour empêcher les gouvernements provinciaux d'entraver la croissance de services essentiels, comme par exemple les services de garderie d'enfants.

**APPENDICE «FISC-27»**

Registered Nurses'  
Association  
of Ontario

MÉMOIRE  
AU  
COMITÉ DE LA CHAMBRE DES COMMUNES  
SUR  
LES ARRANGEMENTS FISCAUX FÉDÉRAUX-PROVINCIAUX

Mai 1981

## INTRODUCTION

La Registered Nurses' Association of Ontario, qui représente les intérêts professionnels des infirmières de la province, est un organisme bénévole comprenant environ 15 000 membres. Elle consacre notamment ses activités à la détermination des problèmes d'hygiène, en particulier en ce qui concerne les soins de santé, et à les porter à l'attention du gouvernement, du public, et de la profession infirmière: l'identification des problèmes et la participation aux activités liées à l'enseignement des sciences infirmières et aux pratiques dans ce domaine: la collaboration avec d'autres disciplines et groupes sur des questions d'intérêt et de préoccupations mutuels et la fourniture de services éducatifs et d'orientation destinés à aider ses membres à s'acquitter de leurs responsabilités professionnelles en divers lieux et circonstances.

En 1962, la RNAO a présenté un mémoire à la Commission royale sur les services de santé, et un autre, en 1979, au Comité d'examen des services de santé. Les infirmières se réjouissent de l'occasion qui leur est donnée de contribuer à l'information du Comité de la Chambre des Communes sur les arrangements fiscaux fédéraux-provinciaux. Les infirmières constituent le groupe le plus important de l'Ontario dans le domaine de la santé, et la RNAO prend donc très au sérieux la responsabilité qui l'incombe d'influer sur le cours présent et futur des soins de santé et de leur financement.



En janvier 1980, la RNAO a rédigé un Position Paper on Health Care Costs. (Étude sur les coûts des soins de santé). Ce document a été inspiré par les inquiétudes de l'Association devant le nombre de médecins qui décident de ne plus faire partie du Plan d'assurance-maladie de l'Ontario et l'effet que cela a sur l'accès aux soins de santé. Cependant, bien qu'il ait été préparé dans une optique plus étroite, la RNAO estime que le contenu de ce mémoire justifie qu'il soit présenté à ce Comité.

Les recommandations de notre étude constitueront le fondement de notre présentation. Nous nous en servons comme document de base et en dépasserons le cadre lorsque nous le jugerons nécessaire.

Nous tenons, dès l'abord, à déclarer que, Putting Health Into Health Care, mémoire présenté en 1979 par l'Association des infirmières du Canada devant le Comité de revue des services de santé, a notre totale approbation. Les points de vue exprimés dans ce document, les exemples particuliers donnés, et les changements recommandés, correspondent aux convictions de la RNAO et, à notre avis, méritent d'être sérieusement pris en considération par ce Comité. Il est de tradition que le système des soins de santé soit dirigé par les médecins et que ceux-ci en soient également les maîtres d'oeuvre aux yeux du public. Dans le passé, ceci a semblé donner satisfaction. Des améliorations considérables ont été réalisées dans le domaine du contrôle des maladies, des progrès de la technologie et de la fourniture de soins actifs. Il serait naïf de mettre en question l'importance que ces réalisations représentent pour la qualité des soins offerts au public. Cependant, il en est résulté

un système coûteux et axé sur les maladies, dont les méthodes sont essentiellement curatives et non préventives. La RNAO estime que le temps est venu d'adopter un système qui mette l'accent sur la santé et qui incorpore les quatre éléments évoqués par M. Lalonde, dans Nouvelle perspective de la santé des Canadiens qui sont fondés sur les prémisses que ceux qui utilisent les soins de santé ont le droit et la responsabilité de prendre des décisions en ce qui concerne leur hygiène et leurs soins de santé.

Santé et maladie sont affectées par de multiples facteurs tels que les habitudes en matière d'hygiène personnelle, le stress, l'héritage génétique, et l'environnement. Nous sommes convaincus que pour aider les usagers à reconnaître et à contrôler ces facteurs, les responsables des services de santé doivent utiliser plus sciemment les techniques de promotion de l'hygiène telles que la planification de l'enseignement de l'hygiène et l'adoption d'un rôle de propagande plus agressive.

La RNAO se réjouit de la récente décision prise par le ministère ontarien de la Santé d'incorporer à la législation projetée sur la santé publique, l'obligation pour les organismes de santé de fournir des programmes d'hygiène personnelle et familiale, dont la plupart ont pour objet de promouvoir la santé. Nous y voyons un pas en avant sur la voie de la reconnaissance de la nécessité de services préventifs orientés vers l'individu. Le domaine de la santé a évolué avec rapidité au cours de ces dernières décennies. Des techniques et des modes de traitement nouveaux ont été mis au point, les gens vivent plus longtemps, certaines maladies sont

maintenant sous contrôle ou ont été éliminées, d'autres sont apparues. Bon nombre des problèmes sont liés au style de vie, et sont donc des problèmes sur lesquels les individus et les communautés ont un certain contrôle.

Si les problèmes de santé ont changé, l'attitude de la société en a fait autant. Les consommateurs sont de plus en plus disposés à accepter une plus grande responsabilité en ce qui concerne leur propre santé et exigent d'avoir plus à dire dans le domaine des soins. Si les problèmes et les attitudes changent, la fourniture des soins de santé doit en faire autant. Une utilisation différente du personnel, des alternatives à la pratique médicale individuelle traditionnelle, des stratégies de promotion de la santé, et un changement des méthodes de financement, doivent tous contribuer à la planification des soins de santé à l'avenir.

#### SERVICES COMMUNAUTAIRES

La RNAO a maintes fois exprimé ses inquiétudes devant le déséquilibre des allocations financières en faveur du secteur des traitements actifs. Le gouvernement a traditionnellement fourni la majeure partie des fonds destinés aux services de santé institutionnels et bien qu'on ait souvent prôné le renforcement des subventions destinées aux services communautaires, le coeur n'y était pas et les choses n'ont guère avancé. Certes, nous reconnaissons qu'au cours de ces dernières années des subventions plus importantes ont été allouées au développement des services de soins à domicile, mais bien peu de planification s'est faite en ce qui concerne les conséquences du changement d'attitude à l'égard des ressources commu-



nautaires, à la fois physiques et humaines. Des services de soutien de base additionnels tels que l'aide familiale, la préparation de repas et la fourniture de moyens de transport sont nécessaires. Le séjour des malades à l'hôpital est écourté et des techniques de traitement complexes commencent à faire leur apparition dans la communauté. Les services infirmiers communautaires en particulier doivent réagir à ces changements, ce qui les a obligés à sacrifier certaines de leurs activités essentielles de promotion en faveur du contrôle des maladies et des interventions d'urgence.

La RNAO prône l'adoption du principe des soins aux malades dans la communauté plutôt que dans les établissements médicaux, dans toute la mesure du possible. Cependant, nous vous mettons en garde contre la réduction du nombre des lits d'hôpitaux avant que de solides réseaux de communications ne soient établis entre ces établissements et les organismes communautaires, et que les services communautaires appropriés ne fonctionnent.

#### LA FOURNITURE DES SOINS PRIMAIRES PAR LES INFIRMIÈRES

La RNAO a la conviction que les infirmières chargées des soins primaires ont un rôle particulièrement important à jouer dans le domaine des soins de santé. Leurs méthodes de travail orientées vers la protection de la santé, la combinaison de compétences dont elles font preuve dans le domaine clinique, et leur capacité à coordonner la santé familiale et à jouer le rôle de défenseurs du consommateur, se combinent pour offrir un service dont le public ne pouvait auparavant se prévaloir. Cependant, les restrictions imposées à la pratique de leur métier continuent de harceler les infirmières

dans ce domaine bien que ces restrictions varient selon l'endroit et la disponibilité des médecins.

Bien qu'il ne s'agisse pas là d'un problème nouveau, la RNAO reçoit constamment des témoignages de mécontentement émanant d'infirmières qui travaillent dans des régions isolées du Nord. Les conditions matérielles sont souvent décrites comme terriblement rudimentaires et il n'est pas rare que la sécurité physique des infirmières se trouve menacée. En outre, les conseillers d'appoint et les services de soutien sont jugés insuffisants. Le Nord est une région où, dans la pratique, les infirmières de soins primaires sont acceptées, probablement parce qu'il est difficile de recruter des médecins. Cependant, les infirmières sont peu disposées à pratiquer dans le Nord, vraisemblablement pour les mêmes raisons que les médecins. Il est important que l'on réfléchisse de près aux moyens d'incitation possible si l'on veut que cette région de la province bénéficie de services acceptables.

Il existe deux obstacles majeurs à l'utilisation optimale des infirmières de soins primaires, "la délégation des actes médicaux" et la méthode de paiement. À notre avis, si l'infirmière de soins primaires se conforme aux normes généralement acceptées de pratique infirmière et si elle est spécialement préparée à remplir des fonctions plus étendues, elle exerce effectivement comme infirmière. En ce qui concerne la rémunération, nous estimons que les services infirmiers devraient être remboursés dans le cadre du plan d'assurance maladie provincial.

## LES INFIRMIÈRES COMME POINTS DE PRISE DE CONTACT AVEC LE SYSTÈME DE SANTÉ.

La RNAO estime qu'un système qui permet aux médecins d'être le seul point d'accès aux soins de santé n'est ni rentable ni efficace. Dans un tel système, l'usage de services de soins coûteux est encouragé alors que l'on a souvent tout simplement besoin d'un peu d'aide pour surveiller sa santé ou d'être mis en rapport avec un autre service de soutien. C'est là un rôle auquel les médecins sont mal préparés et qu'ils sont souvent peu disposés à remplir. Les infirmières travaillent déjà très efficacement comme points de contact avec le système dans des cas tels que ceux de l'hygiène du travail et de la santé publique. Elles sont dans une position idéale pour déterminer les problèmes existants et potentiels et pour aider les malades/clients à préparer la solution de ces problèmes.

## SERVICES DE SANTÉ AUX MÈRES ET AUX ENFANTS

Dans sa récente réponse au rapport intitulé A Regionalized System For Reproductive Medical Care in Ontario, produit par le Comité consultatif sur les soins génériques de la femme pour le ministère de la Santé, la RNAO a exprimé son inquiétude devant l'importance accordée à la fourniture de services et d'installations aux femmes enceintes courant des risques élevés. Sans vouloir minimiser l'importance des techniques et des traitements de pointe nécessaires aux soins des mères et des bébés courant des risques élevés, la RNAO est convaincue que les efforts pour réduire la mortalité et la morbidité périnatales doivent également comprendre des plans de promotion de la santé et de prévention primaire des maladies. D'autre



part, on devrait donner plus souvent l'occasion aux femmes en bonne santé et qui font une grossesse normale d'avoir leur enfant dans un cadre plus proche de celui de leur foyer et avec un minimum d'intrusion. La RNAO est favorable à l'utilisation de sages-femmes qualifiées disposant des services de soutien et de renvoi appropriés.

Le rôle de l'infirmière qui consiste à suivre la croissance et le développement des bébés et des enfants, d'apporter des conseils, de déceler et de traiter les troubles mineurs, a fait la preuve de sa rentabilité et de son efficacité. Nous partageons les inquiétudes de l'Association des infirmières du Canada à propos des problèmes épidémiologiques dont souffre ce groupe d'âge. En ce qui concerne les maladies contagieuses, nous sommes favorables à ce que l'on utilise des infirmières pour administrer les vaccinations. Nous partagerons également les préoccupations de cette association en ce qui concerne les grossesses chez les adolescentes, leur influence sur la vie familiale, leur éducation, et leurs possibilités d'emploi, et nous insistons fortement sur la nécessité d'éduquer les parents, les enfants et les professionnels dans le domaine de la vie familiale et de la sexualité.

## CONCLUSION

Au cours des douze derniers mois, nous avons commencé à recevoir des informations sur la pénurie d'infirmières dans la province. En particulier, le service d'orientation vers l'emploi de la RNAO a établi une liste beaucoup plus complète de postes disponibles que celle de la même époque l'an dernier. Nous considérons

qu'il s'agit là d'un problème grave, à en juger d'après nos prévisions relatives aux besoins en matière de services infirmiers. La population des personnes de plus de 65 ans augmente rapidement. Les handicapés mentaux et physiques quittent les institutions pour trouver une place dans la communauté. Les services d'hygiène du travail sont en pleine expansion. Les traitements actifs, de par leur complexité, exigent un rapport infirmière/malades plus faible. Ces diverses tendances montrent que l'on aura besoin d'un personnel infirmier plus nombreux.

Bien qu'ils ne s'appuient pas sur des statistiques en bonne et due forme, les renseignements officieux que nous avons recueillis indiquent que les infirmières continuent à choisir les postes de haute technicité, de préférence à ceux que leur offre la communauté, où les infirmières expriment leur sentiment de frustration à l'égard des divers facteurs que nous avons évoqués, tels que l'accès au système, l'allocation des fonds, les restrictions imposées à l'exercice de leur métier et à l'organisation de services. Il convient donc, pour assurer une répartition plus équitable des infirmières dans l'ensemble du système, d'offrir des avantages qui rendent le travail d'infirmière communautaire plus attrayant. En tant que fournisseur de services, le gouvernement doit s'attaquer à ces problèmes et leur trouver une solution si l'on veut satisfaire la totalité des besoins de la communauté.

La RNAO se réjouit d'avoir eu la possibilité d'exprimer en public ses convictions et ses préoccupations à propos de la situation actuelle des soins de santé. Nous espérons que la création si opportune de ce comité permettra d'y apporter certains changements.

**APPENDICE «FISC-28»**

ÉTUDE SUR LES COÛTS DES SOINS DE SANTÉ

janvier 1980



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IV DÉCLARATION DE LA RNAO SUR LA DÉFENSE DU MALADE

Registered Nurses' Association of Ontario

33 Price Street

Toronto, (Ontario)

M4W 1Z2

\$2.00

PROFESSION DE FOI

Un plan d'assurance maladie viable et complet fondé sur les principes de l'universalité, d'une protection intégrale, d'une administration à but non lucratif et de la mobilité des prestations, est indispensable si l'on veut assurer des services et des facilités d'accès égaux à la population toute entière de la province.

En 1958 et 1969, le gouvernement a pris la décision de consacrer l'essentiel des fonds réservés à la santé au secteur le plus coûteux du système... les traitements actifs. Au cours de ces dernières années, l'obligation de restreindre les dépenses dans le domaine de la santé a entraîné des coupures dans ce domaine avant que d'autres méthodes de soins n'aient été établies et ne se soient avérées viables. Dans de nombreuses situations, les services communautaires furent en mesure d'assurer des soins efficaces et plus économiques. Cependant, un changement d'orientation exigera qu'une part beaucoup plus importante des subventions soit réservée au secteur communautaire, et que les ministères compétents, les établissements hospitaliers et les centres d'hygiène communautaires locaux et régionaux, les professionnels et les consommateurs se livrent à un effort intense de planification et de coopération.

L'attitude et le comportement des consommateurs et des fournisseurs doivent changer si l'on veut pouvoir contrôler les coûts. Qu'il s'agisse de rechercher, de fournir ou de planifier les soins, les deux groupes devront identifier le type et le niveau de personnel le plus approprié et considérer les options qui s'offrent en dehors



d'installations de traitements actifs coûteux. Pour faciliter le groupement organisé des services de santé et des services sociaux comme alternative à la pratique individuelle chez les médecins et aux soins dans les établissements médicaux, il faut des encouragements financiers. Il faut également étudier dans un esprit nouveau le cadre où ces soins sont dispensés afin d'apprendre aux gens à compter sur eux-mêmes et à adopter un style de vie sain.

Dans le domaine de la santé, consommateurs et fournisseurs doivent être bien au courant des problèmes et des coûts entraînés par les services de soins de santé. Les infirmières devront jouer un rôle prépondérant auprès des consommateurs pour les aider à comprendre l'efficacité et la valeur des diverses options offertes par la dispense de ces soins.

ANNEXE ILE SUBVENTIONNEMENT DES SOINS DE SANTE EN ONTARIOA - Historique

Dans son mémoire présenté en mai 1962 à la Commission royale du Canada sur les services de santé, la RNAO recommandait:

" que tous les Canadiens, quelle que soit leur situation financière, puissent avoir accès à des soins médicaux complets".

Lors de la présentation de ce mémoire, la RNAO avait ajouté:

" Nous avons la conviction que, dans la province de l'Ontario, il devrait y avoir un système de pré-paiement volontaire des soins médicaux complets, avec une aide pécuniaire à ceux qui n'ont pas les moyens de payer les frais d'assurance requis. Toute autre option envisagée devrait faire l'objet d'un examen par l'Association avant qu'elle puisse se prononcer".

Près de vingt ans plus tard, le Programme d'assurance-maladie de l'Ontario est en butte aux attaques. Au début du programme, les gouvernements fédéral et provincial avaient décidé de subventionner les services de santé les plus coûteux (hôpitaux et médecins) avant d'envisager d'autres possibilités. L'augmentation des coûts a aujourd'hui pour résultat que des lits sont supprimés dans les établissements de soins médicaux et que des coupures de personnel affectent tous les services. Les médecins abandonnent le programme d'assurance provincial, mesure qui compromet sérieusement le principe d'universalité.

L'Ontario est devenu membre du programme fédéral d'assurance-maladie en 1969. Avant le 1<sup>er</sup> avril 1977, le montant versé pour les services hospitaliers et médicaux par le gouvernement fédéral dépendait des coûts des plans provinciaux. Cet arrangement n'a pas donné satisfaction aux deux niveaux de gouvernement; le fédéral était obligé de suivre la hausse des coûts et, si les provinces réduisaient les leurs grâce à une plus grande efficacité ou à un changement de priorité, les subventions qui leur étaient accordées, étaient amputées.

#### B - Situation actuelle

Une loi votée en 1977, et qui demeure toujours en vigueur, définissait de nouveaux rapports entre le gouvernement fédéral et les provinces dans les termes suivants:

1. Le gouvernement fédéral continue à faire des versements directs en espèces, mais à un taux inférieur à celui qui prévalait antérieurement à avril 1977.
2. Le gouvernement fédéral a réduit ses taux d'imposition des personnes et des corporations afin de permettre aux provinces d'augmenter les leurs.
3. Le gouvernement fédéral effectue des paiements directs distincts pour les maisons de repos, les soins à domicile et les services d'ambulance.

Depuis lors, les contrôles des salaires et des prix ont été levés et les provinces ont mieux pris conscience du coût des soins.

En Ontario, les soins de santé sont donc partiellement financés par les impôts fédéraux et provinciaux et par les primes



d'assurance (qui représentent environ 25% du coût total). Ces primes sont payées volontairement, ou font l'objet de déductions de salaire obligatoires effectuées par les employeurs de plus de 15 personnes.

Les médecins ontariens appliquent deux barèmes d'honoraires; celui qui est fixé par le gouvernement ontarien en consultation avec l'Ontario Medical Association en remboursement des services aux malades faisant partie de l'OHIP, et le barème établi par l'Ontario Medical Association, qui, depuis janvier 1979, est d'environ 30% supérieur au premier. Les médecins peuvent accepter les tarifs OHIP comme paiement complet ou quitter l'OHIP et demander des honoraires plus élevés. Dans ce cas, ils se font payer directement par leurs clients, et présentent leur facture (ou la font présenter par eux) à l'OHIP qui les rembourse partiellement.

Bien que ce soient les médecins qui forment le groupe le plus important de ceux qui perçoivent des honoraires pour leurs services par l'intermédiaire de l'OHIP, il y a d'autres professionnels du secteur de la santé qui ont une pratique privée et dont les services sont aussi financés, entre autres les chiropracticiens, les optométristes et les chiropodistes. Il existe également un autre groupe qui reçoit des subsides lorsque leurs services sont fournis sur recommandation d'un médecin, celui des physiothérapeutes, des psychologues et des infirmières qui travaillent dans le cadre de programmes de soins domestiques.

Une bonne partie des services de santé en Ontario demeurent financés dans une large mesure par des sources privées, comme c'est le cas des dentistes, des pharmaciens, des services d'ambulance, des fournisseurs de matériel médical (par ex., fauteuils roulants), des psychothérapeutes et des maisons de santé. Ces dernières années, beaucoup de ces services ont été inclus comme prestations dans les conventions collectives, à la suite de négociations.

RECOMMANDATIONS

- I Que les infirmières, à titre individuel, en tant que dispensatrices de soins de santé, acquièrent une meilleure connaissance du coût de ces soins.
- II Qu'on explique clairement aux usagers, consommateurs le coût des soins de santé qu'ils encourent, quel que soit le cadre où ces soins sont donnés.
- III Que les infirmières, à l'occasion de leurs contacts quotidiens avec les usagers de soins de santé, interviennent plus activement auprès d'eux pour leur apprendre à tirer meilleur parti du système de soins de santé sur le plan de leur coût, de leur pertinence et des options offertes.
- IV Qu'avant que des coupures ne viennent frapper les établissements de santé, les ministères de la Santé, les services communautaires et sociaux, les établissements de santé et les organismes de santé communautaire, planifient suffisamment pour s'assurer que d'autres possibilités de soins soient établies et soient viables; et que dans les régions où il existe des conseils de district, ceux-ci jouent un rôle majeur dans le processus de planification.
- V Que les ministères concernés allouent des fonds à la création de services de santé communautaire pour éviter que des malades soient inutilement admis dans des établissements hospitaliers pour simple diagnostic et soins mineurs.



- VI Que les ministères concernés libèrent les fonds nécessaires pour encourager le regroupement organisé des services de santé et des services sociaux et que ce financement se fasse globalement.
- VII Que les infirmières fassent pression sur le gouvernement pour que celui-ci exige des médecins qu'ils fassent savoir à leurs clients, avant la consultation, s'ils appartiennent au Plan d'assurance-maladie de l'Ontario, et éventuellement la différence entre leurs honoraires et le taux de l'OHIP.

La déclaration de foi et les recommandations sont étudiées plus en détail dans les pages qui suivent.

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ANNEXE IIAUTRES POSSIBILITÉS DE FINANCEMENT\*

Le chapitre ci-dessous décrit brièvement les diverses options de financement offertes aux services de soins de santé.

A. FRAIS D'UTILISATION (CÔÛTS À LA CHARGE DES UTILISATEURS)

Nombreux sont ceux qui recommandent cette méthode à cause de son effet de dissuasion sur ceux qui abusent des services de santé.

Il n'existe pas de preuve convaincante d'une réduction sensible des coûts ou de l'utilisation lorsque les frais d'hôpitaux sont directement facturés aux clients. Ces frais ne connaissent pas de variation proportionnelle à leur utilisation.

Il se peut que le recours aux services des médecins serait réduits si les frais devaient être acquittés directement. Ce sont cependant ceux qui peuvent le moins assumer des frais supplémentaires ... les malades et les pauvres ... qui doivent en

\* Pour un examen approfondi des données présentées dans ce chapitre, se reporter à:

Berer, L.L., Evans, R.G. et Stoddart, G.L. "Controlling Health

Care Costs by direct Charges to Patients: Snare or Delusion ?

(Toronto: Economic Council, 1979 pp. 25 à 96).



supporter la charge. Les médecins qui prétendent que cela ne compromettrait pas l'accès universel aux soins, et que ceux-ci ne seraient d'ailleurs jamais refusés, refusent de reconnaître la réalité de l'effet du "test des moyens", si officieux soit-il, sur les sentiments humains. La médecine de charité n'a pas sa place dans le contexte actuel d'égalité des chances.

#### B. CO-ASSURANCE

La co-assurance exige qu'un malade paie un pourcentage de tous les coûts encourus à son endroit. Cette méthode, cependant, encourage le développement de plans d'assurance privée afin de combler le vide laissé par la réduction des subventions des pouvoirs publics. Il faudrait dans ce cas inciter les malades à se prévaloir moins souvent des soins de santé existants et à tenir particulièrement compte des prix lorsqu'ils prennent des décisions en matière de soins de santé, ce qui amènerait une réduction plutôt qu'un transfert du coût de ces soins.

#### C. FRANCHISES

Cette méthode présente une alternative à la co-assurance et exige du malade qu'il paie un pourcentage pré-établi de la facture et que l'assurance couvre le reliquat. Bien que ce système permette de réduire les frais d'administration des petites indemnités, il pénalise les utilisateurs qui présentent des demandes de remboursement peu élevées et peu fréquentes. En ce qui concerne les services hospitaliers, une franchise réduite

serait très rapidement dépassée par chaque personne hospitalisée et une franchise élevée grèverait sérieusement les finances des utilisateurs.

D. FRAIS AU PRORATA DES SERVICES

Ceci exige du malade qu'il paie un montant uniforme pour certains types de services. En général, l'effet de dissuasion est peu important. Dans certains domaines, notamment dans le cas des installations réservées aux personnes souffrant de maladies chroniques ou de longue durée, une telle méthode peut s'avérer efficace lorsque le per diem est fixé à un niveau égal ou légèrement inférieur à celui des pensions de vieillesse. Dans ce cas l'objectif n'est pas de dissuader mais de contrôler les coûts et de faire ressortir le fait que, pour les invalides âgés, les soins de longue durée représentent une alternative à d'autres mesures qu'ils auraient dû prendre à domicile et pour lesquelles ils seraient normalement obligés d'utiliser leurs propres ressources ou celles de leur famille. Ceci ne peut cependant s'appliquer aux établissements de traitements actifs où les admissions sont épisodiques et les malades sont obligés de conserver leur logement habituel.

E. OPTIONS LIÉES AU REVENU ET À L'IMPÔT SUR LE REVENU

Ce système reporte sur le malade une part des coûts des soins de santé qui sont liés au revenu. Il diffère des autres méthodes par le fait qu'il entraîne un transfert des ressources dans la bonne direction. Le caractère d'uniformité des plans

de facturation liés au revenu et à l'impôt sur le revenu, et les plans de remise, ont peu d'effet sur le caractère et les niveaux d'utilisation. Ce n'est que dans le domaine du transfert des ressources que ces plans ont quelque chose de valable à offrir.

#### F. ASSURANCE MÉDICALE À COUVERTURE GÉNÉRALE

Ce type d'assurance est analogue à l'assurance automobile et est généralement vendu par des sociétés privées qui n'ont aucune influence sur le montant des frais. La société rembourse le malade pour tout ou partie des dépenses dépassant les limites fixées, après que ces dépenses aient été acquittées par le malade. Cette méthode s'est souvent traduite par une augmentation importante des coûts.

#### G. FACTURATION SUPPLÉMENTAIRE

Ceci permet au médecin d'augmenter, à sa discrétion, ses honoraires et de les imposer au malade. C'est là le système actuellement utilisé par les médecins de l'Ontario qui se sont retirés de l'OHIP. A cause de la double facturation aux malades et au gouvernement, ce processus augmente les frais d'administration et ne présente guère d'avantages pour la réduction des coûts.

#### H. RÉORGANISATION DES SERVICES

Elle permet aux consommateurs de choisir entre diverses options de fourniture de services de santé, et de réagir aux renseignements relatifs aux prix. Bien qu'ils aient en général le libre choix des services, il existe très peu de services

différents et moins coûteux tels que, par exemple, l'organisme de maintien de la santé (HMO) qui offre un ensemble de services de santé indispensables plutôt que des prestations particulières. Ce système est prometteur sur le plan de la réduction des coûts mais il lui reste à être accepté par la société et à être considéré comme équivalent sur le plan thérapeutique pour pouvoir prétendre remplacer le système actuellement accepté.



ANNEXE IIILES PROBLÈMESA. CONNAISSANCE DU CÔÛT DES SOINS DE SANTÉ1. Droits et responsabilités des infirmières en tant que dispensatrices de soins de santé.

Les infirmières doivent être au courant des problèmes que pose la fourniture de services de soins de santé et des coûts qu'ils entraînent. Elles travaillent dans des cadres très divers: établissements hospitaliers, maisons de santé, cabinets de médecin, cliniques, pratique privée, écoles, et industrie, et chacun est une source de frais pour le système de soins de santé, sous des formes différentes et à des degrés divers.

Pour assurer une défense efficace des malades, les infirmières doivent poser des questions sur les coûts des services de santé dans leur propre communauté, par exemple:

- Quelles sont les priorités du budget des soins de santé de leur organisme et comment sont-elles établies ?
- Quel est le coût de leur propre service ?
- Quels sont les coûts quotidiens par malade dans divers établissements hospitaliers ?
- Quelle est la durée moyenne d'hospitalisation ?
- Les malades sont-ils accueillis dans l'organisme le plus approprié ?

- Quelles sont les options offertes aux utilisateurs de soins de santé qui sont les plus économiques et les plus efficaces ?
- Certains malades pourraient-ils être soignés aussi efficacement à domicile ?
- Combien les utilisateurs paient-ils pour les services des médecins et quelles sont les méthodes employées ?

## 2. Droits et responsabilités des utilisateurs des soins de santé

Ceux-ci ont le droit et la responsabilité de participer à la prise de décision concernant les soins de santé qui leur sont offerts. Le principe de la responsabilité du consommateur est fondé sur l'hypothèse qu'il est suffisamment renseigné sur le système, les installations dont il dispose, les services et les coûts. D'autre part, l'utilisateur se doit d'être informé des conséquences et de la valeur thérapeutique des différentes méthodes de traitement des problèmes de santé.

Trop souvent, les utilisateurs sont renseignés sur ces soins en pleine période de crise personnelle, au moment où ils sont trop vulnérables pour discuter des coûts ou des options. Un vaste programme d'information du public et un effort permanent et concerté de la part de tous les professionnels du domaine de la santé sont requis pour que les utilisateurs puissent disposer des éléments d'information qui les aideront à prendre de sages décisions le moment venu.

## B. OPTIONS

Dans certains cas, les services communautaires peuvent offrir des soins plus efficaces et plus économiques que ceux d'un établissement hospitalier. Pour que l'on y arrive, cependant, les utilisateurs et les fournisseurs de soins devront changer une bonne partie de leurs attitudes et de leur comportement.

Malades et médecins sont en général plus à l'aise lorsqu'ils ont affaire à des traitements offerts par des services hospitaliers. Il est d'ailleurs souvent plus commode pour un médecin d'y faire accueillir un de ses malades que de mobiliser les ressources de la communauté. Avant que l'on puisse vraiment espérer des changements, les services de santé communautaire devront être perçus comme une solution de remplacement viable, crédible et accessible. Pour y parvenir, il est indispensable que les ministères concernés, les établissements hospitaliers et les organismes de santé communautaire locaux participent de concert à un effort de planification générale. Les conseils de district peuvent jouer un rôle clé en facilitant une telle planification.

Traditionnellement, les utilisateurs ne mettent pas en question les dispositions prises par leurs médecins pour leur faire donner des soins. Il faut les encourager à demander quelles sont les options possibles et à comparer les avantages de chacune d'entre elles afin de déterminer dans quelle mesure elles leur conviennent et quels en sont les coûts. Les infirmières des services de santé communautaire, cependant, devront faire

preuve de plus d'initiative pour faire de la publicité autour de leurs services et pour en assurer la facilité d'accès.

Il existe encore beaucoup de gens qui croient que ce sont les spécialistes qui donnent les "meilleurs" soins, quels que soient leurs problèmes de santé. Bien que l'accent ait été mis sur la médecine générale au cours de ces dernières années, ce qui a permis d'améliorer la situation à cet égard, on continue à faire peu appel aux compétences des professionnels de la santé autres que les médecins, en particulier dans les domaines de réévaluation initiale et des soins d'entretien. Un nombre beaucoup plus élevé de ces évaluations du client/famille pourraient se faire dans la communauté au lieu d'avoir recours à l'admission dans un établissement hospitalier. Cette méthode est non seulement plus économique, elle est souvent plus efficace et peut être assurée par le personnel de santé communautaire existant. Les infirmières des services de santé communautaire ont des compétences très développées dans le domaine de l'évaluation. Ce qui manque cependant souvent dans la communauté, c'est la possibilité de faire immédiatement appel à l'opinion des représentants de diverses disciplines. Un système multidisciplin fondé sur la collaboration, d'évaluations et de soins d'entretien à domicile contribuerait largement à éviter l'hospitalisation des malades.



Certaines des options les plus économiques adoptées pour remplacer la pratique du médecin exerçant seul, tel que les organismes de services de santé ou les centres de soins de santé communautaire, n'ont pas toujours eu beaucoup de succès. Ceci est dû à un certain nombre de facteurs. L'aide apportée par le gouvernement à ces centres pour les aider à maintenir leur viabilité n'a pas été généreuse. De nombreux médecins ne sont pas encore convaincus des avantages pour le malade d'une pratique multidisciplinaire par rapport à la pratique individuelle, et, compte tenu du système actuel de services contre remboursement les subventions dépendent de la surveillance immédiate du médecin. Les centres de santé communautaire sont considérés par beaucoup comme des installations destinées aux citoyens de seconde zone, attitude qui est souvent perpétuée par l'atmosphère impersonnelle et froidement clinique d'un centre qui rappelle les services d'accueil des consultants externes d'autrefois. Néanmoins, de tels organismes rassemblent de nombreux services en un même lieu et, en permettant une collaboration plus étroite entre les diverses disciplines, ils favorisent un meilleur travail d'équipe. D'autre part, la concentration des services en un même lieu permet aux malades et aux clients d'être vus par le professionnel approprié sans avoir à effectuer de déplacements excessifs, ce qui économise à la fois le temps et l'énergie.

### C. PROMOTION DE LA SANTE

Le rapport direct entre les programmes de promotion de la santé et les coûts des soins de santé n'a pas été clairement établie. Les risques volontaires, cependant, tel qu'une consommation excessive d'alcool et de drogues, un poids excessif, le manque d'exercice et l'incapacité à faire face au stress, peuvent être directement reliés aux maladies du système cardiovasculaire, aux accidents et aux maladies mentales. Ces maladies contribuent à l'utilisation intensive des lits de traitements actifs et grèvent lourdement l'économie en raison du nombre d'heures de travail perdues. Le subventionnement d'activités et l'élaboration de stratégies sensibiliseront les gens à leur capacité d'autosuffisance et amènera le gouvernement et les professionnels de la santé à considérer un style de vie sain comme une importante priorité.

### D. LA NON PARTICIPATION DES MÉDECINS

L'universalité d'accès aux soins de santé est actuellement menacée par la réticence d'un groupe d'importants dispensateurs de soins à participer pleinement au Plan d'assurance-maladie. Environ 20% des médecins de la province ont quitté l'OHIP. Il est difficile de soutenir que leur décision ne réduit pas l'accès aux soins de santé. Les utilisateurs ont le droit de choisir entre un médecin appartenant à l'OHIP ou n'en faisant pas partie. Dans les communautés où tous les médecins se sont prononcés contre le Plan, les utilisateurs se trouvent privés

de ce choix. De la même manière, lorsqu'un malade est recommandé à un spécialiste, le choix de celui-ci est habituellement fait par le médecin et non par le malade. Il arrive fréquemment que les malades ne soient pas informés du fait que leur médecin ne participe pas au Plan ni de la différence entre les honoraires, avant que le traitement n'ait déjà été entrepris.

Les infirmières peuvent aider les utilisateurs à comprendre les droits dont ils jouissent dans le cadre du Plan d'assurance-maladie de l'Ontario et peuvent leur signaler l'existence d'une liste de médecins participant à ce plan qui peut leur être fournie par l'Ontario Medical Association, dont le numéro de téléphone à Toronto est le 925-3264; les autres résidents de l'Ontario peuvent appeler, sans frais, le (800) 261-7215.

## DÉCLARATION SUR LA DÉFENSE DU MALADE

## REGISTERED NURSES' ASSOCIATION OF ONTARIO

La RNAO estime que la DÉFENSE DU MALADE fait partie intégrante du rôle de l'infirmière autorisée.

Sa responsabilité première dans ce domaine est d'informer les utilisateurs de leurs droits et des options qui leur sont offertes en matière de soins de santé. L'infirmière parle au nom du client et l'aide à bénéficier de ces droits.

L'infirmière reconnaît que les utilisateurs sont les premiers responsables de leur propre santé et qu'ils ont le droit d'être informés des soins auxquels ils peuvent avoir accès sous toutes leurs formes (à la fois préventifs et curatifs), du droit de participer aux prises de décisions concernant leur santé, et du droit d'égalité d'accès aux soins de santé, quelle que soit leur situation socio-économique. L'infirmière accepte la responsabilité de promouvoir un environnement dans lequel les valeurs, les coutumes et les convictions de l'individu sont respectées, de prendre les mesures nécessaires pour satisfaire aux besoins des utilisateurs sur le plan sanitaire et social et d'appuyer ces mesures.

L'infirmière est un des nombreux professionnels qui se trouvent en contact étroit avec les utilisateurs dans toutes sortes de cadres: les hôpitaux, les maisons de santé, les cabinets de médecin, les cliniques, les écoles, l'industrie ainsi que le cadre des



activités communautaires auxquelles elle participe. Ces contacts permettent à l'infirmière de:

- 1) identifier et définir les besoins en matière de soins de santé des utilisateurs, en accord avec ceux-ci,
- 2) expliquer les options possibles et les progrès faits dans le domaine des soins de santé,
- 3) informer les utilisateurs de leurs droits en ce qui concerne des services de santé incompetents, non éthiques ou illégaux,
- 4) expliquer les besoins des utilisateurs en matière de soins de santé aux autres professionnels et aux technocrates.

Bien des problèmes de santé, qu'ils soient personnels ou de caractère environnemental, peuvent être prévenus grâce à la promotion sanitaire et à l'explication des services disponibles. La situation de l'infirmière lui permet de mieux sensibiliser le public aux diverses formes de soins de santé et de dispensation de ces soins.

MEMBRES DU GROUPE D'ÉTUDE SUR LES CÔÛTS DES  
SOINS DE SANTÉ

Mary Kay Harrison, présidente, Midtown Chapter

Mary Ford, Niagara Chapter

Catherine Keyes, Ottawa West Chapter

Roberta Rivett, Middlesex North Chapter

Sister Sheila Anne Spooner, Nipissing Chapter

Shirley Wheatley, Toronto Centre Chapter

Margaret Risk, RNAO.



At 5:00 p.m.

*From the Canadian Union of Public Employees (CUPE):*

Mr. Gil Levine, National Research Director;

Mr. John Calvert, Researcher;

Ms. Gene Errington, Researcher.

At 8:00 p.m.

*From the Registered Nurses' Association of Ontario:*

Shirley Wheatly, President;

Maureen Powers, Executive Director.

A 17 heures

*Du syndicat canadien des employés de la Fonction publique (SCEFP):*

M. Gil Levine, directeur national de la recherche;

M. John Calvert, chercheur;

M<sup>me</sup> Gene Errington, chercheur.

A 20 heures

*De la Registered Nurses' Association of Ontario:*

Shirley Wheatly, président;

Maureen Powers, directrice exécutive.





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## WITNESSES—TÉMOINS

At 9:31 a.m.

*From the Canadian Medical Association:*

Dr. W. D. Thomas, President;  
Dr. L. Richard, President-Elect;  
Dr. D. L. Wilson, Past-President;  
Mr. Baltzen, Chairman, CMA Council on Economics;  
Dr. R. G. Wilson, Secretary-General;  
Mr. B. E. Freaino, Executive Secretary;  
Mr. D. Geekie, Director of Communications.

*From C.M.A. from different provinces:*

Dr. J. S. Bennett;  
Dr. S. Laporte;  
Dr. J. Charbonneau;  
Dr. G. H. Isaac;  
Dr. H. Arnold.

At 3:30 p.m.

*From the Federation of Saskatchewan Indians:*

Chief Sol Sanderson, President;  
Mr. Pat Woods, General Manager, SINCO Developments Ltd.

*(Continued on previous page.)*

A 9 h 31

*De l'Association médicale canadienne:*

D<sup>r</sup> W. D. Thomas, président;  
D<sup>r</sup> L. Richard, président-élu;  
D<sup>r</sup> D. L. Wilson, ancien président;  
M. Baltzen, président, Conseil sur l'économie de la AMC;  
D<sup>r</sup> R. G. Wilson, secrétaire général;  
M. B. E. Freaino, secrétaire exécutif;  
M. D. Geekie, directeur des communications.

*De la AMC—Différentes provinces:*

D<sup>r</sup> J. S. Bennett;  
D<sup>r</sup> S. Laporte;  
D<sup>r</sup> J. Charbonneau;  
D<sup>r</sup> G. H. Isaac;  
D<sup>r</sup> H. Arnold.

A 15 h 30

*De la Fédération des Indiens de la Saskatchewan:*

Chef Sol Sanderson, président;  
M. Pat Woods, directeur général, SINCO Developments Ltd.

*(Suite à la page précédente.)*

HOUSE OF COMMONS

Issue No. 11

Wednesday, May 13, 1981

Chairman: Mr. Herb Breau

CHAMBRE DES COMMUNES

Fascicule n° 11

Le mercredi 13 mai 1981

Président: M. Herb Breau

*Minutes of Proceedings and Evidence  
of the Special Committee on*

*Procès-verbaux et témoignages  
du Comité spécial sur*

# The Federal-Provincial Fiscal Arrangements

# Les accords fiscaux entre le gouvernement fédéral et les provinces

## RESPECTING:

Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, fiscal equalization, tax collection agreements and the Canada Assistance Plan.

## CONCERNANT:

La Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces et sur le financement des programmes établis, la péréquation des accords de perception fiscale et le Régime d'assistance publique du Canada.

## WITNESSES:

(See back cover)

## TÉMOINS:

(Voir à l'endos)



First Session of the  
Thirty-second Parliament, 1980-81

Première session de la  
trente-deuxième législature, 1980-1981

SPECIAL COMMITTEE ON THE FEDERAL-  
PROVINCIAL FISCAL ARRANGEMENTS

*Chairman:* Mr. Herb Breau

*Vice-Chairman:* Mr. Don Blenkarn

Messrs.

Blaikie  
Herbert

Loiselle

COMITÉ SPÉCIAL SUR LES ACCORDS FISCAUX  
ENTRE LE GOUVERNEMENT FÉDÉRAL ET  
LES PROVINCES

*Président:* M. Herb Breau

*Vice-président:* M. Don Blenkarn

Messieurs

Thacker

Weatherhead

(Quorum 4)

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*

## MINUTES OF PROCEEDINGS

WEDNESDAY, MAY 13, 1981  
(28)

[Text]

The Special Committee on Federal-Provincial Fiscal Arrangements met at 3:30 o'clock p.m., this day, the Chairman, Mr. Breau, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker and Weatherhead.

*Other Member present:* Mr. Berger.

*In attendance:* From the Parliamentary Centre for Foreign Affairs and Foreign Trade: A. R. Dobell, Ronald LeBlanc and Michael Mendelson. From the Research Branch, Library of Parliament: Christopher Lawless.

*Witnesses:* At 3:30 p.m., From Canadian Hospital Association: Sister Lucy Power, Chairman of the Board; J. C. Martin, President; Paul Brown, Executive Vice-President. At 4:35 p.m., From National Indian Brotherhood: Mr. Del Riley, President; Mr. A. Campbell, Researcher, Economic Development; Mr. Irvin Goodleaf, Director and Mr. Bill Badcock, Legal Counsel.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (See *Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

*It was agreed,*—That the brief presented by the Canadian Hospital Association be printed as an appendix to this day's Minutes of Proceedings and Evidence. (See *Appendix "FISC-29"*.)

At 6:00 o'clock p.m., the Committee adjourned to the call of the Chair.

## PROCÈS-VERBAL

LE MERCREDI 13 MAI 1981  
(28)

[Traduction]

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à 15 h 30 sous la présidence de M. Breau (président).

*Membres présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker et Weatherhead.

*Autre député présent:* M. Berger.

*Aussi présents:* Du Centre parlementaire des affaires étrangères et du commerce extérieur: A. R. Dobell, Ronald LeBlanc et Michael Mendelson. Du Service de recherches de la Bibliothèque du Parlement: Christopher Lawless.

*Témoins:* A 15 h 30, De l'Association des hôpitaux du Canada: Révérende Sœur Lucy Power, présidente du Conseil d'administration; M. J. C. Martin, président; M. Paul Brown, vice-président exécutif. A 16 h 35, De La Fraternité des Indiens nationaux: M. Del Riley, président; M. A. Campbell, chercheur, Développement économique; M. Irvin Goodleaf, directeur; M. Bill Badcock, conseiller légal.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (Voir *procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

*Il est convenu,*—Que le mémoire présenté par l'Association des hôpitaux canadiens soit joint aux procès-verbal et témoignages de ce jour. (Voir *Appendice «FISC-29»*).

A 18 heures, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*



## EVIDENCE

*(Recorded by Electronic Apparatus)*

Wednesday, May 13, 1981

• 1532

*[Text]***The Chairman:** Order, please.

We are continuing the study of our mandate on the Canada Assistance Plan, tax collection agreements, equalization, established programs financing, and other fiscal arrangements between the federal government and the provinces.

We have before us this afternoon representatives from the Canadian Hospital Association: the Chairman of the Board, Sister Lucy Power; Mr. J. C. Martin, President; and Mr. Paul Brown, Executive Vice-President.

We have a copy of the submission. Is it agreed that the submission of the Canadian Hospital Association be appended to today's proceedings?

Mr. Blaikie.

**Mr. Blaikie:** The submission?

**The Chairman:** The submission, not the appendices. Is it agreed?

**Some hon. Members:** Agreed.

**The Chairman:** Sister Power, you can proceed with your summary and then we will go on to the questioning.

**Sister M. Lucy Power (Chairman of the Board, Canadian Hospital Association):** Thank you very much.

Mr. Chairman, members of the task force, and ladies and gentlemen, first I would like to thank very sincerely the Parliamentary Task Force on Federal-Provincial Fiscal Arrangements for inviting us from the Canadian Hospital Association, and through our association all the provincial hospital and health associations and the health care institutions of Canada, to come and present our point of view on the crucial issue of funding the health care and health insurance programs in Canada.

The Chairman has already introduced the two gentlemen who are with me, both of whom work in our office here in Ottawa. Mr. Albert G. Ayers, who is the Chairman-Elect of the Canadian Hospital Association, had also planned to attend this meeting, but unfortunately an urgent commitment in Saskatoon prevented him from being here. I might add that the air service almost prevented me from being here since I left home at seven o'clock this morning and, instead of arriving here at 9.30 a.m., I got here at 2.45 p.m.

• 1535

**The Chairman:** Where were you coming from?

**Sister Power:** I was coming from St. John's but the fog diverted me in Halifax to Moncton, which is a delightful little side trip. Then the plane could not get out of Val d'Or, so Montreal hosted me for about four hours.

## TÉMOIGNAGES

*(Enregistrement électronique)*

Le mercredi 13 mai 1981

*[Translation]***Le président:** A l'ordre, s'il vous plaît.

Nous reprenons l'étude de notre mandat, qui porte sur le Régime d'assistance publique du Canada, les accords de perception fiscale, le financement des programmes établis et d'autres accords fiscaux entre le gouvernement fédéral et les provinces.

Nous recevons cet après-midi les représentants de l'Association des hôpitaux du Canada: la présidente du conseil, sœur Lucy Power; M. J. C. Martin, président; M. Paul Brown, vice-président exécutif.

Nous avons reçu un exemplaire de l'exposé. Acceptez-vous que nous annexions au compte rendu des délibérations d'aujourd'hui le texte de l'exposé de l'Association des hôpitaux du Canada?

Monsieur Blaikie.

**M. Blaikie:** L'exposé?

**Le président:** Oui, l'exposé, et non pas les annexes. Vous êtes d'accord?

**Des voix:** D'accord.

**Le président:** Sœur Power, vous pouvez maintenant présenter votre résumé, puis nous passerons aux questions.

**Sœur M. Lucy Power (présidente du conseil, Association des hôpitaux du Canada):** Merci beaucoup.

Monsieur le président, membres du groupe de travail, mesdames et messieurs, je voudrais d'abord remercier très sincèrement le groupe de travail parlementaire sur les accords fiscaux entre le gouvernement fédéral et les provinces pour avoir invité des représentants de l'Association des hôpitaux du Canada, et par notre intermédiaire, de tous les hôpitaux provinciaux, de toutes les associations de santé et de toutes les institutions de santé au Canada. On nous a invités à présenter notre point de vue sur la question cruciale du financement des soins de santé et des programmes d'assurance-maladie au Canada.

Le président a déjà présenté les deux messieurs qui m'accompagnent, tous les deux travaillant à notre bureau d'Ottawa. M. Albert G. Ayers, président élu de l'Association des hôpitaux du Canada, avait également prévu être présent à cette réunion, mais malheureusement, il a été appelé d'urgence à Saskatoon. J'ajouterais que le service aérien m'a presque empêché d'être ici aujourd'hui, puisque je suis partie de chez moi à 7 heures ce matin, et que, plutôt que d'arriver ici à 9 h 30, je suis plutôt arrivée à 14 h 45.

**Le président:** D'où venez-vous?

**Sœur Power:** J'arrivais de Saint-Jean de Terre-Neuve, mais le brouillard m'a détournée de Halifax à Moncton, ce qui est une petite excursion fort agréable. Puis, l'avion ne pouvait décoller de Val-d'Or, de sorte que je suis restée à Montréal pendant quatre heures.

[Texte]

**Mr. Blaikie:** As long as you did not have to stay in New Brunswick.

**Sister Power:** The Canadian Hospital Association has kept its delegation very small, especially since we had heard from the clerk of the parliamentary task force that your group has the intention of meeting with most of our provincial hospital health associations while you are travelling throughout the country, and we understood that you have already met with at least one. It was felt that the presence of the provincial representatives would not be necessary at this time but I would like to state that our brief from the Canadian Hospital Association has been prepared in complete co-operation, and in consultation, with all the provincial hospital health associations throughout the country. I would also like to note that the French version will be available very shortly.

Perhaps a few words about the Canadian Hospital Association might be appropriate. CHA is a federation of the provincial hospital health associations in Canada. All the health care institutions in Canada belong to their provincial associations who, in turn, belong to the Canadian Hospital Association. At present in Canada there are approximately 1,400 hospitals and somewhere in the neighbourhood of 2,400 long term care institutions. All the hospitals fall under the Hospital Insurance and Diagnostic Services Act, but not all of the long term care facilities are covered by that insurance program. The long-term care facilities run a great gamut of different names and titles and functions, and I do not think that you would have time even this afternoon to go through all of them.

In 1977 the Canadian Hospital Association established its headquarters in Ottawa after spending the first 50 years of its existence in Toronto. Among our main roles are to make representation to all the federal government authorities to relate with all the other national associations in the health field and to manage national programs in education, research and publications.

I would like now to give you a very brief summary of our submission to your task force. Although we have no intention to review in great detail all the events that have taken place in health in the last 30 years, we would like to recommend that you familiarize yourselves with them because they will affect some of your studies. And we would like to make a recommendation that the book entitled *Perspectives on Canadian Health and Social Services Policy: History and Emerging Trends* would be an excellent one for your study. It is a very recent publication and gives in detail all the main events that have happened in the health care field during the last number of years. I would also like to say that, since the Canadian Hospital Association distributes and sells this book in Canada, if you would like to purchase some copies we would be glad to make them available through your clerk.

To the brief itself, of which I think you have copies, in Section I which begins on page 15, we think we are making one of the most important points which we would like to put across to your committee. Although the Canadian Hospital Association has publicly stated in the early seventies that they

[Traduction]

**M. Blaikie:** Tout ce qui compte, c'est que vous n'ayez pas dû rester au Nouveau-Brunswick.

**Sœur Power:** L'Association des hôpitaux du Canada a choisi une délégation plutôt réduite, surtout parce que le greffier du groupe de travail parlementaire nous a dit que lors de vos déplacements au pays, vous aviez l'intention de rencontrer les représentants de la plupart des associations de santé des hôpitaux provinciaux faisant partie de notre organisme; sauf erreur, vous avez déjà rencontré un groupe. Nous avons donc cru que la présence de représentants provinciaux n'était pas nécessaire à la réunion d'aujourd'hui, mais je voudrais préciser que le mémoire de l'Association des hôpitaux du Canada a été préparé en entière collaboration et en consultation avec toutes les associations de santé des hôpitaux provinciaux, dans l'ensemble du pays. Je précise également que la version française de cet exposé sera disponible très bientôt.

Il serait peut-être opportun de dire quelques mots de l'Association des hôpitaux du Canada. L'AHC est une fédération des associations de santé des hôpitaux provinciaux du Canada. Toutes les institutions de santé du Canada appartiennent à une association provinciale qui, à son tour, est membre de l'Association des hôpitaux du Canada. A l'heure actuelle au Canada, il y a environ 1,400 hôpitaux et approximativement 2,400 institutions de soins chroniques. Tous les hôpitaux sont réglementés par la Loi sur l'assurance-hospitalisation et les services diagnostiques, mais toutes les institutions de soins chroniques ne sont pas couvertes par ce programme d'assurance. Ces institutions de soins chroniques sont désignées par un vaste éventail de noms et de titres et elles offrent de nombreux services; je ne crois pas que vous ayez le temps, même cet après-midi, d'écouter tout ce qui en est.

En 1977, l'Association des hôpitaux du Canada a installé son bureau principal à Ottawa, après avoir passé les 50 premières années de son existence à Toronto. Nos rôles principaux sont de faire des démarches auprès des instances du gouvernement fédéral, d'entretenir des relations avec toutes les autres associations nationales dans le secteur de la santé et d'administrer des programmes nationaux d'éducation, de recherche et de publication.

Je voudrais maintenant vous faire un très bref résumé de notre exposé. Quoique nous n'ayons pas l'intention de faire une revue détaillée de tous les événements survenus dans le secteur de la santé au cours des 30 dernières années, nous vous recommandons de vous familiariser avec ces événements, car ils auront une influence sur vos travaux. Nous sommes également d'avis que le livre intitulé *Perspectives on Canadian Health and Social Services Policy: History and Emerging Trends* serait un excellent outil pour vos travaux. Il s'agit d'une publication très récente, qui donne en détail les principaux événements survenus dans le secteur des soins de santé au cours des dernières décennies. Également, puisque l'Association des hôpitaux du Canada distribue et vend ce livre au Canada, si vous voulez en acheter quelques exemplaires, nous nous ferons un plaisir de les envoyer au greffier.

Passons maintenant au mémoire comme tel, dont je crois que vous avez reçu des copies. Dans la partie I, qui commence à la page 15 de la version anglaise, je pense que nous faisons l'une des plus importantes observations que nous voulons communiquer à votre comité. Même si, au début des années 70,



*[Text]*

were in full support and agreement with the concept of block funding, they were not at any point invited to participate in the discussion that led to the agreement between the two levels of government pertaining to the EPF Act. As these present negotiations again involve large sums of money that will be necessary to fund the health care system in Canada, CHA feels that through its membership it has the expertise to help both levels of government to reach a proper agreement.

We realize that we have no magic formula to offer, gentlemen, and that your committee will have to struggle with a very complex issue. However, our assumption and our great hope is that if, in the two remaining years, open discussions and negotiations are undertaken with all the interested parties involved having a chance to provide input, maybe a suitable solution agreeable to all parties, namely both levels of government, the health professionals and the health care institutions, could be reached in that time.

• 1540

We are definitely suggesting that negotiations should not—I repeat should not—take place behind closed doors, as they involve public funding, public institutions, and the health of each and every Canadian. I would think that we are in very good company since in reading Mr. MacEachen's submission to the task force of April 23, he makes that same point on the second page when he says that it is important that Canadians know what happens in all this funding and know what is going on and understand it. Perhaps one of the reasons they are not interested is because it works too well, but most likely it is because they think it is too difficult. We think there are some people around who could really help in the discussions.

Recommendations 1,2,3, and 4 are aimed at, and we think crucial to, the success of this major renegotiation process.

In Section II, we are presenting a panoramic view of Canada with regard to the fiscal situation in health institutions as described by provincial associations. In the limited number of copies that we have given to the Clerk of your Committee, you have copies of each of the provincial submissions. That was the thick volume that you were holding, Mr. Blaikie.

In our Recommendation 5, we request that negotiations take into account regional disparities in Canada and, in this recommendation, we support Mr. Justice Hall's recommendation where he states that provinces with lower revenue be given special consideration.

The very broad conclusion that could be drawn from these presentations from the provincial hospital and health associations is that the health care system in Canada has reached a very crucial point with regard to financial support. Any further cut will definitely create some problems in regard to the quantity of the services that are going to be offered, if not in

*[Translation]*

l'Association des hôpitaux du Canada affirmait qu'elle appuyait pleinement le concept du financement global, on ne nous a jamais invités à participer aux discussions ayant mené à cet accord entre les deux niveaux de gouvernement, relativement à la Loi sur le financement des programmes établis. Puisque les présentes négociations mettent une fois de plus en cause les sommes importantes qui seront nécessaires au financement du système de soins de santé au Canada, l'Association croit avoir l'expérience nécessaire pour aider les deux niveaux de gouvernement à élaborer un accord acceptable.

Messieurs, nous reconnaissons ne pas pouvoir vous offrir de formule magique, et votre Comité devra affronter une question très complexe. Cependant, nous présumons et nous espérons que si, au cours des deux années qui restent, des discussions et négociations sont entreprises avec toutes les parties intéressées, en leur donnant l'occasion de participer, on en viendra peut-être à une solution acceptable pour toutes les parties, notamment les deux niveaux de gouvernement, les professionnels de la santé et les institutions de soins de santé.

Nous croyons fermement que les négociations ne devraient pas—je répète, «ne devraient pas»—se tenir à huis clos, puisqu'il s'agit ici de fonds publics, d'institutions publiques et de la santé de tous les Canadiens. Je crois que d'autres partagent notre avis, puisqu'en lisant l'exposé de M. MacEachen à votre groupe de travail, le 23 avril dernier, on constate qu'il dit la même chose à la deuxième page, alors qu'il affirme qu'il est important que les Canadiens sachent et comprennent ce qui se passe en matière de financement de ces programmes. Si la population ne s'intéresse pas à cette question, c'est peut-être que tout va trop bien, mais c'est plus probablement parce que les gens croient que c'est trop difficile à comprendre. Nous pensons qu'il y a de ces gens qui pourraient vraiment nous aider dans nos discussions.

Les recommandations 1, 2, 3 et 4 portent sur le succès de cet important processus de renégociation; nous croyons ces recommandations essentielles.

Dans la partie II, nous présentons une vue panoramique du Canada en ce qui a trait à la situation financière des institutions de santé, telle que décrite par les associations provinciales. Parmi le nombre limité d'exemplaires que nous avons donnés au greffier de votre Comité, vous avez des exemplaires de chacun des mémoires provinciaux. Cela se trouve dans ce document épais que vous teniez en main, monsieur Blaikie.

Dans notre recommandation n° 5, nous demandons qu'au cours des négociations, on tienne compte des disparités régionales au Canada; nous appuyons ainsi la recommandation du juge Hall, qui demande que les provinces ayant des revenus moins élevés reçoivent un traitement particulier.

Pour tirer une conclusion très générale des rapports des associations de santé des hôpitaux provinciaux, on pourrait dire que le système de soins de santé au Canada en est maintenant arrivé à un point critique en matière de soutien financier. Toute réduction budgétaire additionnelle créerait assurément des problèmes quant à la quantité de services

*[Texte]*

regard to the quality of services which is a much more difficult thing to assess at this time.

In Section III, which begins on page 23 of our brief, our submission reviews the 5 basic conditions that have been embodied in the federal legislation pertaining to health insurance programs. These have had to be adhered to by the provincial governments in order to qualify for payment by the federal government. The monitoring of these 5 conditions is extremely difficult as Health and Welfare has found out. A proper definition of these conditions has not yet been fully agreed to by all the people concerned, but we would think that some progress is being made in getting a clear understanding of these conditions.

Our Recommendation 11 recommends that the federal government monitor the effect of provincial health programs without involvement in the structure and content of these programs. We think perhaps that that recommendation might require a little explanation since it seems to be contradictory.

The previous cost-sharing arrangement and the financing of such was based on a number of predetermined health programs which had to be available and offered to the population by the provincial governments in order for them to qualify for re-imburement by the federal government. So we had some programs that were cost-shared, because they were recognized by both levels of government but, on the other hand, we had some programs that were not cost-shared because they were not recognized by the federal government as being necessary.

With the introduction of block funding, this approach was totally modified, and the provincial governments did not have to demonstrate to the federal government that they were offering certain specific programs in order to be reimbursed. What we are saying here is that the federal government should not re-institute that condition of specific program content. It should develop later about this a series of guidelines or what we might call health standards which could be attained by all Canadians. We will say something else later about this. That would leave the autonomy to the provinces in regard to the method or the type of program that they offered, but they would have some monitoring effect from the federal area. We will say a little more about this later on.

We conclude this section on the five conditions by recommending that both levels of government undertake all the necessary actions required to protect the national-provincial health insurance program from further erosion.

• 1545

From page 31 to page 38, we have Section IV in which we deal with the health charter for Canadians and some of the issues that we presently have in our health care institutions. I do not intend to spend any more time on that section but perhaps the members of your task force would take a glance at it so that the six issues which are raised in that section will be at least familiar.

*[Traduction]*

offerts, sinon quant à la qualité de ces services, ce qu'il est beaucoup plus difficile d'évaluer à l'heure actuelle.

Dans la partie III, qui commence à la page 23 de la version anglaise de notre mémoire, nous étudions les cinq conditions élémentaires inscrites dans la loi fédérale relative aux programmes d'assurance-maladie. Il s'agit de règles que les gouvernements provinciaux devaient respecter afin d'être admissibles aux fonds du gouvernement fédéral. Comme l'a constaté le ministère de la Santé et du Bien-être, il est très difficile d'assurer la surveillance de l'application de ces cinq conditions. Toutes les personnes en cause ne se sont pas encore entendues pleinement sur une définition acceptable de ces conditions, mais nous croyons que certains progrès ont été réalisés en ce sens.

Dans notre recommandation n° 11, nous demandons que le gouvernement fédéral surveille l'effet des programmes de santé provinciaux, sans s'ingérer dans la structure et le contenu de ces programmes. Cette recommandation nécessite peut-être quelques explications, puisqu'elle semble contradictoire.

Dans le cadre des ententes précédentes de partage des frais, le financement était assuré pour un certain nombre de programmes de santé prédéterminés que les gouvernements provinciaux devaient offrir à la population afin d'être admissibles au remboursement consenti par le gouvernement fédéral. Alors, pour certains programmes, les frais étaient partagés, car ils étaient reconnus par les deux niveaux de gouvernement; d'autre part, les frais d'autres programmes n'étaient pas partagés, parce qu'ils n'étaient pas reconnus par le gouvernement fédéral comme étant nécessaires.

Avec la venue du financement global, cette méthode a été totalement modifiée, et dans le but d'être remboursés, les gouvernements provinciaux n'étaient plus obligés de prouver au gouvernement fédéral qu'ils offraient certains programmes précis. Nous demandons ici que le gouvernement fédéral n'impose pas à nouveau l'établissement de certains programmes précis. Il devrait plutôt, à une date ultérieure, élaborer une série de lignes directrices ou de normes de santé, disons, qui devraient être accessibles à tous les Canadiens. Nous y reviendrons plus tard. Ainsi, les provinces seraient libres de choisir le type de programmes qu'elles offriraient, le tout étant, dans une certaine mesure, surveillé par le gouvernement fédéral. Nous y reviendrons brièvement un peu plus tard.

Je termine maintenant cette partie sur les cinq conditions en recommandant que les deux niveaux de gouvernement prennent toutes les mesures nécessaires pour protéger d'une plus grande érosion les programmes nationaux-provinciaux d'assurance-maladie.

Aux pages 31 à 38 du texte anglais, vous trouverez la partie IV, où nous parlons d'une charte de la santé pour les Canadiens et de certains des problèmes que connaissent présentement nos institutions de santé. Je n'ai pas l'intention de consacrer plus de temps à cette section, mais les membres de votre groupe de travail voudront peut-être y jeter un coup d'œil afin de se familiariser avec les six problèmes dont on y traite.



*[Text]*

In Section V, I feel that we are talking about what is probably the most complex issue in the health field at present. It deals with the establishment of health standards as a possible substitute to definition of program content. So this is back to the original program that we have talked about above.

A lot of research is presently being done in the United States with regard to development of health standards but no adequate health standards have been yet developed, there or anywhere else, and we are saying that research in areas such as information systems, workload measurement systems, accounting standards and the like, which require developmental approaches quite different from the more traditional epidemiological-oriented research studies have not been adequately funded and the results have not produced the answers that we are looking for.

So I guess we are saying there had been some research going on but funds have not been sufficient to allow the proper type of research to be carried on to get the proper answer. So we are urging all levels of government to see that adequate funds are made available to support the research necessary to develop appropriate standards of health and methods to measure these standards.

If progress is to be made in understanding better what is going on in the future in our health care system there is a definite need to support the kind of research that will allow this type of development of standards.

Section VI in the brief deals with health institutional costs and the need for a continuous financial support to the health care system in Canada. We claim, with evidence, that the cost of the health care system in Canada has not grown more rapidly than the other types of costs throughout the country. We are convinced that some of the statements that are made on hospital operating costs are greatly exaggerated and have created a false impression in general in the population. We definitely think that the governments, along with health care institutions, should try to explain adequately to the public the real cost of health care and to relate these costs to other sectors of the economy. That is the essence of our recommendation number 22.

We have also, in this section, reviewed very briefly the actual cost-sharing arrangement called the EPF Act and have reviewed an article that was published in the *Canadian Tax Journal* in September-October 1977; and we have taken the liberty of reproducing, in our submission, the conclusion of that article on the EPF Act.

The Canadian Hospital Association recommends strongly that in order to protect the national-provincial health insurance program presently in operation, funding by the federal government be maintained at least at this present level and that the actual funding formula described in the Established Program Financing Act of 1977 be maintained for another period of five years.

*[Translation]*

Dans la partie V, je pense que nous abordons la question la plus complexe à l'heure actuelle dans le secteur de la santé. Il s'agit de l'établissement de normes de santé comme substitut possible à la définition du contenu du programme. On en revient donc au programme original dont nous avons parlé plus haut.

Présentement, aux États-Unis, on fait beaucoup de recherche sur l'élaboration de normes de santé, mais on n'est encore arrivé à rien de satisfaisant là-bas, ou ailleurs; à notre avis, on n'a pas accordé suffisamment de fonds aux recherches dans des domaines tels que les systèmes d'information, les systèmes d'évaluation de la charge de travail, les normes de comptabilité, et cetera, domaine exigeant des approches au développement qui sont bien différentes des recherches traditionnelles tournées vers l'épidémiologie; on n'a pas encore obtenu les résultats désirés.

Nous admettons que des recherches ont été faites, mais les fonds accordés n'ont pas été suffisants pour permettre d'effectuer le bon type de recherche et pour obtenir les résultats voulus. Nous incitons donc tous les niveaux de gouvernement à s'assurer que des fonds suffisants seront offerts pour permettre la recherche nécessaire au développement de normes de santé adéquates, ainsi que de méthodes pour évaluer ces normes.

Si nous voulons mieux comprendre quel sera l'avenir de nos systèmes de soins de santé, il est tout à fait nécessaire d'appuyer la recherche qui permettra d'élaborer de telles normes.

La partie VI du mémoire porte sur les dépenses des institutions de santé et sur la nécessité d'un appui financier permanent au système de soins de santé au Canada. Avec preuves à l'appui, nous affirmons que le coût du système de soins de santé au Canada n'a pas crû aussi rapidement que d'autres types de dépenses dans l'ensemble du pays. Nous sommes convaincus qu'on a grandement exagéré les coûts de fonctionnement des hôpitaux, ce qui a créé une fausse impression chez le grand public. Nous croyons fermement que les gouvernements, en collaboration avec les institutions de santé, devraient essayer d'expliquer correctement à la population quels sont les coûts véritables des soins de santé, en comparant ces coûts à ceux d'autres secteurs de l'économie. C'est là l'essentiel de notre 22<sup>e</sup> recommandation.

Dans cette partie de notre exposé, nous avons également examiné brièvement les ententes actuelles de partage des frais, qu'on appelle financement des programmes établis; nous avons analysé un article paru dans le *Canadian Tax Journal* édition de septembre-octobre 1977. Nous avons pris la liberté de reproduire dans notre exposé la conclusion de cet article sur la Loi sur le financement des programmes établis.

Dans le but de protéger les programmes d'assurance-maladie existants présentement au niveau national-provincial, l'Association des hôpitaux du Canada recommande fortement que le financement accordé par le gouvernement fédéral soit maintenu au moins au niveau actuel et qu'on reconduise pour une autre période de cinq ans la présente formule de financement décrite dans la Loi de 1977 sur le financement des programmes établis.

## [Texte]

We think that it is still too early to pass a definitive judgement on the formula itself and we feel that some possible adjustment within the actual formula might be possible and could help with some of the problems which might require more help and support, which explains the "at least" which we have placed in that recommendation.

Finally, in Section VII of submission, we are making a proposal to ensure the appropriate development of the health care system in Canada. Basically, what we are proposing is the formation of a health council of Canada which would have similar role to the Economic Council of Canada; namely to study and evaluate what is going on in the health care field and report to Parliament and the public in general their findings.

So our final and perhaps our most important recommendation reads as follows:

It is recommended that a Health Council of Canada be established as an independent body to examine national health care policy; the council be governed by distinguished representatives of the health industry, government, and the public; and, the Council be funded through public and private sources.

• 1550

Mr. Chairman and members of the task force, we feel that the health care system in Canada is at a very important crossroads and we hope that the people concerned and involved in the renegotiation process of the fiscal arrangement necessary to operate our first-class health care system will make the necessary efforts to look for solutions and agreements. We recognize the extremely important role that the federal government has to play in the economic field in our country but we would also hope that our national government would be sensitive to the role that it has to play in the maintenance of a good health care system in Canada.

Thank you again for hearing us. If we can, we would be glad to answer your questions.

**The Chairman:** Thank you very much.

Mr. Blaikie, do you want to start off the questioning?

**Mr. Blaikie:** Yes.

I was wondering which studies you were referring to when you said "recent studies on user charges be brought to the attention of all those concerned".

**Sister Power:** In two provinces, at least, they have done studies on the user charges; they are Ontario and Saskatchewan. Ontario has published quite a small but very definitive report of their study on user charges entitled *Controlling Health Care Costs by Direct Charges to Patients: Snare or Delusion?*, published by the Ontario Economic Council.

**Mr. Blaikie:** I am sorry, I was thinking of the one by Barer, Evans and Stoddart.

**Sister Power:** That is the one.

**Mr. Blaikie:** That is the one—the Ontario Economic Council publication?

## [Traduction]

Nous croyons qu'il est encore trop tôt pour juger définitivement de la formule elle-même; il sera peut-être possible de modifier cette formule, ce qui pourrait aider à résoudre certains des problèmes nécessitant plus d'attention; cela explique que nous utilisions l'expression «au moins» dans cette recommandation.

Finalement, dans la partie VII de notre exposé, nous faisons une proposition dans le but d'assurer l'évolution adéquate du système de soins de santé au Canada. Nous proposons essentiellement la création d'un conseil de la santé du Canada qui jouerait un rôle semblable à celui du Conseil économique du Canada; nommément, étudier et évaluer l'évolution des soins de santé et présenter un rapport au Parlement et à la population du Canada.

Alors, la dernière et peut-être la plus importante de nos recommandations se lit comme suit:

Nous recommandons la création d'un conseil de la santé du Canada, organisme indépendant chargé d'étudier la politique nationale en matière de soins de santé; nous recommandons de plus que le conseil soit administré par des représentants éminents du secteur de la santé, du gouvernement et de la population; de plus, que le conseil soit financé par des fonds publics et privés.

Monsieur le président et membres du comité spécial, nous estimons que la santé publique au Canada traverse une période cruciale et nous espérons que ceux qui participent au processus de renégociation des accords fiscaux pertinents s'efforceront de trouver des solutions et des terrains d'entente. Nous reconnaissons le rôle extrêmement important du gouvernement fédéral dans l'économie de notre pays, mais nous voudrions également que le gouvernement soit sensible au rôle qu'il doit jouer dans le domaine de la santé publique au Canada.

Merci encore de votre attention. Nous serons heureux de répondre à vos questions, dans la mesure du possible.

**Le président:** Merci beaucoup.

Monsieur Blaikie, voulez-vous commencer les questions?

**M. Blaikie:** Oui.

Pourriez-vous nous dire à quelles études vous faites allusion lorsque vous déclarez «qu'il fallait porter à l'attention de tous les intéressés de récentes études sur les frais payés par les usagers»?

**Sœur Power:** On a effectué des études à ce sujet dans deux provinces au moins, l'Ontario et la Saskatchewan. L'Ontario a publié un rapport assez succinct et très net sur son étude des frais payés par les usagers. Le titre en est: *Controlling Health Care Costs by Direct Charges to Patients: Snare or Delusion?*, et c'est publié par le Conseil économique de l'Ontario.

**M. Blaikie:** Je suis désolé, je pensais à celui de Barer, Evans et Stoddart.

**Sœur Power:** C'est celui-là.

**M. Blaikie:** C'est celui qui porte sur la publication du Conseil économique de l'Ontario?



[Text]

**Sister Power:** Yes.

**Mr. Blaikie:** Why do you want them brought to our attention? Did you agree with them? I mean, it is not a very informative recommendation. What are your recommendations and do you agree with the studies?

**Sister Power:** We at CHA have one problem in making very definitive recommendations on this type of thing because, as I said, we are a federation and we have to go along with what our members say; and our members do not all agree on user fees.

When we presented our brief to Justice Hall, that was the one recommendation that we found very hard to formulate so that all our members would accept the recommendation, and I think we came to a recommendation which went something like, "that if user fees must be in place, they at least not be a deterrent to health care for any Canadian".

How does that sound to you?

**Mr. Blaikie:** That is very shift.

I am still trying to find out what was the conclusion of these studies.

**Mr. J. C. Martin (President, Canadian Hospital Association):** Both studies, Mr. Chairman, opposed the user fee as a deterrent. The Saskatchewan study and the Ontario study were against the user fee.

**Sister Power:** You would find, in some of the examples that they use at the beginning, that they thought that perhaps user fees might work as a deterrent, but when they looked into what they were deterring, it was deterring the poor.

**Mr. Blaikie:** I asked you about that because yesterday we had members of the Canadian Medical Association before us, and one of them, indeed the president, I believe, Dr. Thomas, spoke in support of the idea that with regard to the hotel costs—what he called the hotel costs of hospital care—there be patient participation; in other words, what the Canadian Medical Association uses for charging patients. And I wonder what your opinion is on that or whether there is an opinion of the Canadian Hospital Association on that, or whether that is another thing you have not been able to have a consensus on.

Secondly, I wonder whether or not you feel that people are staying in hospital longer than they might if such hotel costs were being charged. The reason I ask that question is because I detected a kind of contradiction in what the CMA were saying yesterday. When asked straight out whether or not they thought the health care system was being over-used, they said no; yet ten minutes prior to that, the president of the same association was arguing that hotel costs should be charged to patients in hospital because then people would not stay in hospital as long; the implication being that if they were charged such hotel costs, they might get out of hospital and not over-use the system.

So I was wondering whether you have a clearer position on that than they obviously do.

[Translation]

**Sœur Power:** Oui.

**M. Blaikie:** Pourquoi voulez-vous qu'il soit porté à notre attention? Les approuvez-vous? Je trouve cette recommandation un peu vague. Je préférerais que vous nous disiez quelles sont vos recommandations et si vous êtes d'accord sur les conclusions de ces études?

**Sœur Power:** L'Association des hôpitaux du Canada n'est pas en mesure de présenter des recommandations très nettes sur ce genre de chose, étant donné que nous sommes une fédération et qu'il nous faut suivre la volonté de nos membres, qui ne sont pas tous d'accord sur les frais payés par les usagers.

Lorsque nous avons présenté notre mémoire au juge Hall, c'est la recommandation qu'il nous a été le plus difficile de formuler à la satisfaction de tous nos membres, et je crois que nous en étions arrivés à dire que «si l'on devait instaurer des frais payés par les usagers, il faudrait au moins s'assurer qu'ils ne menacent la santé d'aucun Canadien».

Qu'en pensez-vous?

**M. Blaikie:** C'est très hésitant.

Je ne comprends toujours pas quelle est la conclusion de ces études.

**M. J. C. Martin (président, Association des hôpitaux du Canada):** Monsieur le président, les deux études concluent en rejetant les frais payés par les usagers comme élément dissuasif. Les études de la Saskatchewan et de l'Ontario rejettent l'une et l'autre les frais payés par les usagers.

**Sœur Power:** Vous constateriez dans certains des exemples utilisés au début qu'ils étaient partis du principe que cela pourrait peut-être avoir un effet dissuasif, mais ils se sont aperçus que cela ne dissuadait que les pauvres.

**M. Blaikie:** Si je vous pose la question, c'est qu'hier, des membres de l'Association médicale canadienne comparaissent devant nous, et l'un d'eux, le président si je ne m'abuse, le Dr Thomas, appuyait l'idée pour ce qui est des frais de séjour en hôpital, pour lesquels il jugeait qu'une participation du patient était souhaitable; autrement dit, ce qu'utilise l'association dans le calcul des frais qu'elle fait payer aux patients. Que pensez-vous de cela, ou l'Association des hôpitaux du Canada a-t-elle pris position là-dessus, si vous avez réussi à parvenir à un consensus là-dessus?

Deuxièmement, estimez-vous que les gens restent à l'hôpital plus longtemps qu'ils ne le feraient si on leur faisait payer des frais de séjour? Si je pose la question, c'est parce que j'ai décelé une sorte de contradiction dans ce que nous disait hier l'association des médecins. Quand on leur demandait carrément si, à leur avis, on abusait du régime de santé publique, leur réponse était négative. Or, 10 minutes avant, le président de la même association prétendait que des frais de séjour devraient être payés par les patients hospitalisés, afin de les inciter à quitter l'hôpital le plus tôt possible; autrement dit, si on leur faisait payer une partie de leur séjour, ils n'abuseraient peut-être pas du système.

Je me demandais donc simplement si vous aviez une position plus claire là-dessus.

[Texte]

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**Sister Power:** We do not have a consensus, but I would say, with a fair amount of safety, that the majority of our members feel that user fees are a deterrent to health care for the poor and that we are not in favour of them.

If you want an answer to whether or not our health care system is abused by long stays, I would say not from a health point of view. But in some provinces you will find that there is a cry for more long term care beds, and, with our population advancing in age as it is, the geriatric type of care is quite a large component of health care in hospitals right now. In some instances there are not suitable beds for that type of patient to move out to in the community, therefore that type of patient is occupying what we would call an acute-care bed, or a short-term bed, perhaps longer than he or she should be. But that is not a patient's abusing the system wilfully, it is a matter of circumstances in the community where that patient may be a resident.

**Mr. Blaikie:** I was going to say that it is one thing to stay in hospital longer than you have to because, for one reason or another, you like the hospital better than home, but it is another to have to stay in the acute-care hospital because there are no chronic-care or long term care beds available.

I have no other questions, Mr. Chairman, except to thank the hospital association for obviously, a very well prepared presentation. I am sure that it will be of great value to us. The recommendations are good ones.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Mr. Chairman, I would also like to compliment the witnesses on the excellent quality of their briefs. I think the committee members have had some complaints from time to time of not getting enough specific recommendations from various groups that come before us. You certainly do not fall into that category. I think it serves to remind us all of the wide-ranging nature of your excellent services. It is also very useful to have the recommendations set out so well and so professionally that we can pick them up fairly easily.

You mention, in your recommendation number 12, that the federal and provincial governments should:

undertake all the necessary actions required to protect the National Provincial Health Insurance Program from further erosion.

I wonder if you could elaborate on just how you see that erosion at the present time.

**Sister Power:** Do you mind if I just skip over to that section so that . . .

**Mr. Martin:** Mr. Chairman, I just took a minute to see where that recommendation fitted in the brief. If you look at the brief, you will see it under Section III, where we have reviewed the five basic conditions. We have taken the conditions, one after the other, and reviewed them. Under the "Reasonable Accessibility" condition, we have gone into a long discussion, as a matter of fact, we have covered five different points where we think there is some danger of erosion in regard to the health care system in Canada. If you look, on

[Traduction]

**Sœur Power:** Nous ne sommes pas tous d'accord, mais je dirais, sans grand risque de me tromper, que la majorité de nos membres estiment que les frais payés par les usagers dissuadent les pauvres, et qu'ainsi, ce n'est pas souhaitable.

Quant à savoir maintenant si l'on abuse de notre régime de santé publique en séjournant trop longtemps à l'hôpital, je vous dirais que non, du point de vue de la santé. Toutefois, dans certaines provinces, on manque de lits pour soins prolongés et étant donné que notre population vieillit, les soins gériatriques deviennent un élément très important des soins dispensés aujourd'hui dans les hôpitaux. Dans certains cas, il n'existe pas de lits convenables pour que ce type de patients retrouvent leur place dans la collectivité, si bien qu'on les laisse dans des lits de soins intensifs ou de courte durée, peut-être plus longtemps que nécessaire. Mais ce n'est pas là le patient qui abuse délibérément du système, ce sont les conditions de la collectivité où réside le patient qui dictent cette décision.

**M. Blaikie:** J'allais dire que ce n'est évidemment pas la même chose si vous restez à l'hôpital parce que vous vous y plaisez mieux que chez vous, et si vous devez y rester parce qu'il n'y a pas de lits disponibles pour malades chroniques ou pour soins de longue durée.

Je n'ai pas d'autres questions, monsieur le président, mais je veux remercier l'Association des hôpitaux de son exposé, qui, de toute évidence, a été très bien préparé. Je suis sûr qu'il nous sera très précieux. Ces recommandations sont très bonnes.

**Le président:** Monsieur Weatherhead.

**M. Weatherhead:** Monsieur le président, j'aimerais également féliciter les témoins de l'excellence de leur mémoire. Je sais qu'à plusieurs occasions, les membres du Comité se sont plaints de ne pas recevoir des recommandations suffisamment précises de la part des témoins. Vous ne tombez certainement pas dans cette catégorie. Cela nous aide également à nous rappeler l'éventail très large de vos excellents services. Des recommandations si bien présentées et si claires nous sont très utiles.

Vous dites, au n° 12, que les gouvernements fédéral et provinciaux devraient:

faire tout le nécessaire pour protéger les régimes d'assurance-maladie national et provinciaux.

Pourriez-vous préciser dans quelle mesure vous les sentez menacés?

**Sœur Power:** Me permettez-vous de me reporter à cette section, de sorte que . . .

**M. Martin:** Monsieur le président, je viens de regarder où se trouvait cette recommandation, et si vous prenez le mémoire, vous vous apercevrez qu'elle se trouve à la section III, où nous avons passé en revue les cinq conditions fondamentales. Nous les avons reprises les unes après les autres. Sous «accessibilité raisonnable», nous avons entrepris une discussion prolongée sur cinq points différents où il y a, à notre avis, un certain danger pour la santé publique au Canada. À la page 24 du texte anglais, nous déclarons, à propos de ces cinq points, que les



*[Text]*

page 24, at these five topics that we have addressed, we say that fiscal restraint imposed by governments, as they affect new programs and services, might be one. The availability of skilled manpower might be another. The increasing demand brought on by an aging population might be another. In addition, the individual's accessibility to hospital services is limited by the regionalization of services and excessive user fees, where they exist. These were possible causes of erosion, under the heading of "Reasonable Accessibility. If we go on, on this issue of portability we think this is no problem. What we call reasonable accessibility seemed to be the most difficult condition, the fact that in many provinces all Canadians do not have what could be defined as reasonable access to health care services because of one of these five reasons.

• 1600

**Sister Power:** We would not want you to think we are against the implications of improved health care through regionalization, or anything like that, in talking about limited access because of regionalization, but there are some efforts at regionalization that do remove easy access. Parts of it cannot be controlled, but there must be some way to control some of them, we feel, and it may take money to do it.

**Mr. Weatherhead:** I am concerned, as I think all of us are, about regional differences in the health care system. We were in two of the Atlantic provinces, Newfoundland and Prince Edward Island, last week. Do you want to elaborate a bit on one of your recommendations, I guess it is number 5, regarding the national health care standards and the regionalization issue or the need, as you see it, for treating different regions in different ways under the national health grants?

**Sister Power:** I think, when we referred to that one, we referred back to Justice Hall's report and his recommendations also. He specifically talked about the Atlantic provinces and the absence of some necessary funds in those areas to maintain a level of health care that was suitable for Canadians. The territories was the other section that he mentioned. Parts of the discrepancies relate to medical manpower very much, we realize that, but financial restrictions seem to be the thing that gets back as the root all the time. We do realize—at least, speaking from Newfoundland's point of view, I realize—that the federal input, for instance, to Newfoundland is probably the largest part of our fiscal arrangement for health. But I do not think that can be used as an argument for less, or for a lowering of it, because there is not any comparison with what we have, for instance, in Newfoundland and what is available in Alberta to finance health programs.

**Mr. Weatherhead:** You mention in recommendation 10 having the condition of portability more clearly defined. Do you find, from the hospital level, that you have a lot of problems with portability in connection with patients who are

*[Translation]*

restrictions financières imposées par les gouvernements sur les nouveaux programmes et services pouvaient être une explication. Une autre serait la disponibilité du personnel qualifié. La demande croissante d'une population vieillissante serait une autre raison. De plus, l'accessibilité des particuliers aux services hospitaliers se voit limitée par la régionalisation des services et par les frais excessifs parfois demandés aux usagers. C'est là, à notre avis, sous le titre «accessibilité raisonnable», qu'il y a danger d'érosion du régime de santé publique. Plus loin, pour ce qui est de la transférabilité, nous ne pensons pas que cela pose de problème. Ce que nous appelons une accessibilité raisonnable semblait être la condition la plus difficile, le fait que dans bien des provinces, tous les Canadiens n'ont pas ce que l'on pourrait définir comme étant un accès raisonnable aux services de soins médicaux à cause d'une de ces cinq raisons.

**Sœur Power:** Nous n'aimerions pas que vous nous croyiez opposés aux implications d'une amélioration des soins médicaux effectuée par la régionalisation, ou par d'autres moyens, lorsque nous parlons d'accès limité à cause de la régionalisation; il y a pourtant certains efforts de régionalisation qui éliminent l'accès facile. Certains aspects ne peuvent pas être contrôlés, mais, à notre avis, il doit y avoir une façon d'en contrôler certains, et il faudra peut-être de l'argent pour le faire.

**M. Weatherhead:** Je suis préoccupé, comme, je crois, nous le sommes tous, par les disparités régionales du système de soins médicaux. Nous avons visité deux des provinces de l'Atlantique, Terre-Neuve et l'Île-du-Prince-Édouard, la semaine dernière. Pourriez-vous expliciter une de vos recommandations, je crois qu'il s'agit de la cinquième, relative aux normes nationales des soins médicaux et à la question de régionalisation, ou la nécessité, à votre avis, de traiter les différentes régions de façon différente, en vertu du système national de subventions à la santé?

**Sœur Power:** En faisant allusion à cet aspect, nous avons, je crois, fait référence au rapport du juge Hall, ainsi qu'à ses recommandations. Il a parlé de façon explicite des provinces de l'Atlantique et de l'absence de certains fonds nécessaires, dans ces régions-là, pour maintenir un niveau de soins médicaux qui convient aux Canadiens. L'autre secteur dont il a parlé concerne les territoires. Certaines disparités sont étroitement liées à la main-d'œuvre médicale, nous nous en rendons compte, mais les restrictions financières semblent constituer la base du problème dans tous les cas. Nous nous rendons bien compte, au moins du point de vue de Terre-Neuve, que l'apport fédéral à Terre-Neuve constitue vraisemblablement la plus grande partie de notre arrangement fiscal relatif à la santé. Mais je ne crois pas que l'on puisse invoquer ce fait pour réduire cet apport, parce qu'il n'y a aucune comparaison possible entre ce que nous avons, par exemple, à Terre-Neuve, et ce dont dispose l'Alberta pour financer des programmes de santé.

**M. Weatherhead:** Dans votre dixième recommandation, vous faites allusion à une définition plus précise de la condition de transférabilité. Est-ce que, au niveau hospitalier, vous rencontrez beaucoup de problèmes de transférabilité en ce qui

[Texte]

travelling in the province at a given time? What did you have in mind about that particular recommendation?

**Mr. Martin:** Mr. Chairman, this recommendation came about because we heard that a number of patients who had been travelling across Canada and had to be hospitalized in a province other than their own had some difficulty in being reimbursed by the province where they were hospitalized. This has been a chronic situation and the Canadian Hospital Association has been urging the Federal-Provincial Advisory Committee on Health Institutions and Medical Services to develop a proper mechanism so that the transfer of benefits from one province to the other to reimburse be as rapid as possible. It does not necessarily affect the institutions directly, but it does affect the patients, and some of the patients have been complaining to the health care institutions. This is a problem that health care in Canada and all the provincial governments are aware of. It has been discussed for at least three or four years, as far as I can remember. What we are proposing here is that the provinces and the federal government arrive at an agreement and inform the public as to how they are going to be reimbursed for services obtained outside their own province.

**Mr. Weatherhead:** I am from Toronto and I will have a daughter working in Alberta this summer. If she has to use a hospital in Alberta, what will actually happen with respect to her financial commitments, or perhaps my financial commitments with respect to same?

**Mr. Martin:** If she is a temporary resident of Alberta, she will have to be reimbursed by Ontario, and she will enjoy the benefits presently available in the province of Ontario. Now all the provinces do not necessarily carry the same program from province to province. So it might happen that she might receive some services in Alberta that are not covered by the Ontario Hospital Insurance Program.

• 1605

**Mr. Weatherhead:** Would she have to make some arrangements to pay for the hospital at that time and then get reimbursed from Ontario herself, or would the hospital get reimbursed from Ontario?

**Mr. Martin:** It varies from province to province. In some provinces the hospitals request that the patients pay and get reimbursed by their home province. Some of the provinces will accept that the other plan reimburse, that the hospital be paid by the provincial plan and that the provincial plan make arrangements with the other province. This is part of the difficulty, the interplan arrangement that could be made to reimburse the hospitals throughout the country.

**Mr. Weatherhead:** What does your association say should be done to settle this matter?

**Mr. Martin:** We say that the provincial plan should meet and make arrangements and that the transfer of payment be made from plan to plan across the country without affecting the benefits of the user, namely, the patients.

**Mr. Weatherhead:** Thank you, Mr. Chairman.

[Traduction]

concerne les malades qui ne sont que de passage dans la province à un moment donné? À quoi pensiez-vous en faisant cette recommandation-là?

**M. Martin:** Monsieur le président, nous avons fait cette recommandation après avoir entendu dire que nombre de patients en voyage hospitalisés dans une province autre que la leur avaient rencontré des difficultés pour obtenir des remboursements par la province où ils avaient été à l'hôpital. C'est une situation chronique, et l'Association des hôpitaux du Canada recommande avec insistance au Comité consultatif fédéral-provincial sur les institutions médicales et les soins médicaux qu'on développe un bon mécanisme de transfert rapide des remboursements d'une province à l'autre. Cela ne concerne pas nécessairement les institutions elles-mêmes, mais a un effet sur les malades, et certains des malades se sont plaints auprès des institutions de soins médicaux. Ceci est un problème connu du milieu des soins médicaux au Canada, et de tous les gouvernements provinciaux. Voilà trois ou quatre ans qu'on en discute, si je m'en souviens bien. Nous proposons en effet que le gouvernement fédéral et les provinces se mettent d'accord et informent le public quant au système de remboursement pour les services obtenus en dehors de leur propre province.

**M. Weatherhead:** Je viens de Toronto, et une de mes filles va travailler en Alberta cet été. Si elle a besoin d'aller à l'hôpital en Alberta, qu'en sera-t-il en effet de ses engagements financiers, ou peut-être de mes engagements financiers à cet égard?

**M. Martin:** Si elle est résidente temporaire de l'Alberta, elle aura à se faire rembourser par l'Ontario, et elle jouira des prestations offertes actuellement dans la province d'Ontario. Or, les provinces n'offrent pas toutes forcément les mêmes programmes et services. Il se peut donc qu'elle obtienne des services en Alberta qui ne sont pas couverts par l'assurance-hospitalisation de l'Ontario.

**M. Weatherhead:** Serait-elle obligée de payer ses frais d'hospitalisation, quitte à se faire rembourser ensuite par l'Ontario, ou serait-ce l'hôpital qui obtiendrait le remboursement?

**M. Martin:** Cela varie d'une province à l'autre. Dans certaines provinces, l'hôpital demande que le patient règle la facture et se fasse rembourser ensuite par sa province d'origine. Certaines provinces acceptent de payer l'hôpital directement, à la suite d'un arrangement avec l'autre province. On pourrait supprimer cette divergence par un mécanisme qui permettrait le remboursement des hôpitaux partout au Canada.

**M. Weatherhead:** Que préconise votre association comme solution?

**M. Martin:** Nous estimons que le régime provincial doit prendre les dispositions nécessaires pour permettre le transfert des paiements d'un régime à l'autre au Canada, sans affecter les prestations dont disposent les patients.

**M. Weatherhead:** Merci, monsieur le président.



[Text]

**Mr. Blenkarn:** May I have a supplementary on that, Mr. Chairman? Could you give us a list of the differences between these health plans so that we could come into that? You brought up the question of a person going from Ontario to Alberta. Ontario would paid what Ontario would normally pay. Is there any significant difference between the provinces, or could you give us a list of the differences?

**Sister Power:** There are a few significant differences in a few provinces. The one that comes to mind all the time for me is Nova Scotia, which will not pick up the payments as easily as any of the other provinces. I am not sure we could give you the list right now but we could produce it for you.

**Mr. Blenkarn:** COuld you do that for us? I think that would be very helpful, Sister Power.

**Sister Power:** Yes, indeed.

**Mr. Martin:** Mr. Chairman, in the Canadian Hospital Directory every second year we do publish a list of all the hospital entrance programs and the benefit you can get from each of the programs. So I will send the clerk of the committee sufficient copies of that report. It is available. As to the medical care plan, the Canadian Medical Association does publish a table which describes the benefits province by province, and the Canadian Hospital Association publishes every second year a table which gives province by province the benefits you enjoy while you are a resident of that province. But it varies from province to province.

**Mr. Blenkarn:** Would that also include the arrangements for payment that a province insists on? If a province insists that you pay and then collect form them, that will be in there.

**Mr. Martin:** Yes.

**Mr. Blenkarn:** Thank you.

**The Chairman:** Mr. Loiselle.

**M. Loiselle:** Dans, la recommandation 24, vous suggérez la création d'un conseil canadien de la santé qui aurait à porter un jugement sur les standards et sur la qualité des soins médicaux à travers le pays. Dans une recommandation précédente, vous mentionnez que le gouvernement fédéral ne devrait pas imposer de conditions aux provinces, sinon, de fixer lui aussi des standards nationaux. Pourriez-vous me dire comment tout cela devrait se faire?

Vous semblez dire que le gouvernement fédéral doit laisser aux provinces toute la flexibilité en n'imposant pas des conditions strictes, mais simplement en établissant des standards nationaux; et en plus de cela, vous souhaitez la création d'un conseil canadien de la santé pour porter un jugement sur les standards établis par le gouvernement fédéral, et je suppose, sur la façon pour les provinces de rencontrer ou ne pas rencontrer ces standards.

Pourriez-vous élaborer un peu? Parce que je vois que vous avez un organisme de surveillance, vous demandez au gouvernement fédéral d'établir des standards sans pour autant établir des conditions. J'aimerais que vous soyez plus précise sur tout cela.

[Translation]

**M. Blenkarn:** Puis-je poser une question supplémentaire là-dessus, monsieur le président? Pouvez-vous nous énumérer les différences entre les divers régimes provinciaux? Vous avez soulevé l'exemple d'un résident de l'Ontario hospitalisé en Alberta. L'Ontario ne rembourserait que les services qu'il offre. Y a-t-il des différences appréciables entre les provinces?

**Sœur Power:** Il y a quelques différences relativement importantes dans certaines provinces. Le seul exemple qui me vient à l'esprit pour l'instant est la Nouvelle-Écosse, qui n'accepte pas de faire des remboursements aussi facilement que les autres provinces. Je ne pourrais vous énumérer toutes ces différences maintenant, mais nous pourrions vous préparer une réponse.

**M. Blenkarn:** Je crois que cela nous serait fort utile.

**Sœur Power:** Nous ne manquerons pas de le faire.

**M. Martin:** L'annuaire des hôpitaux canadiens publie tous les deux ans des renseignements sur les divers programmes offerts par les hôpitaux et sur les prestations prévues par ces programmes. Je vais envoyer des exemplaires de cette liste au greffier du Comité. Quant à l'assurance-maladie, l'Association médicale canadienne publie un document qui décrit les prestations offertes par chaque régime provincial, et l'Association des hôpitaux du Canada publie tous les deux ans un résumé, par province, des services dont disposent les résidents. Cela varie d'une province à l'autre.

**M. Blenkarn:** Mentionnez-vous si la province exige que le patient règle les frais directement, avec remboursement ultérieur?

**M. Martin:** Oui.

**M. Blenkarn:** Merci.

**Le président:** Monsieur Loiselle.

**Mr. Loiselle:** Your recommendation 24 suggests the creation of a Canadian Health Council responsible for evaluating standards and the quality of health care throughout the country. In a previous recommendation, you mention that the federal government should not impose conditions on the provinces but establish national standards. Can you explain to me how this should be done?

You seem to be saying that the federal government should give the provinces a great deal of leeway without imposing strict conditions and merely set national standards; you are also in favour of the creation of a Canadian Health Council to watch over federal government standards and I suppose the way in which the provinces comply or do not comply with them.

Could you elaborate a bit on this? You are advocating a supervisory body and you want the federal government to establish standards without actually setting conditions. I would like some clarification on this.

*[Texte]*

**Sister Power:** Thank you. I hope you do not mind if I answer in English. My French is limited to what we speak in Newfoundland, which is more "Newfoundlandese".

**Mr. Loiselle:** Yes, but you spent some time in New Brunswick.

**Sister Power:** Only when forced to, sir. While we said in our recommendation concerning monitoring that we would not like to see the federal government impose restrictions on programs, we still said in several places throughout our presentation that we feel the federal government has a real role to play in monitoring the program, and this health council we see not just as an arm of the federal government but as a broad body which would input to the federal government, yes, and would probably have representation from the federal government but which would act almost as an advisory body. As to the standards part, at present the only standards you could impose, if you talk about standards as we are trying to talk about them, would be very difficult to measure and very difficult to impose. The standards that you could impose would be only the program standards, we think, unless you put ceilings. Would you like to elaborate a little bit because this is a particular concern of Mr. Martin?

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**M. Martin:** Monsieur le président, ce que l'Association des hôpitaux du Canada recommande, c'est essentiellement de laisser la pratique antérieure définir des contenus de programmes. Vous avez un programme qui offre des soins cardio-vasculaires, vous avez un programme qui offre des soins pédiatriques. Ce que nous proposons c'est que le gouvernement fédéral, en collaboration avec les gouvernements fédéral, en collaboration avec les gouvernements provinciaux, établisse des standards qui devront être atteints par les programmes de santé; à savoir, la réduction des maladies cardio-vasculaires par quelque méthode que ce soit. On dit qu'on ne devrait plus imposer des programmes comme tels, mais laisser les organismes, à savoir les institutions hospitalières ou les gouvernements, décider de la meilleure façon d'atteindre l'objectif.

Je pense que l'exemple classique qu'on peut utiliser ici, c'est celui du taux de morbidité et de mortalité infantiles et le fait qu'au Canada on ait réussi à diminuer d'une façon très appréciable le taux de mortalité infantile. C'était un objectif. La méthode qu'on a utilisée pour atteindre cet objectif-là est absolument immatérielle, en autant que nous, nous sommes concernés. On voudrait que le gouvernement national fixe des grands objectifs qui devront être atteints par l'ensemble des programmes de santé au Canada. Et s'ils ne sont pas atteints, qu'il y ait des possibilités de faire des ajustements financiers.

La deuxième chose qu'on dit: Si, d'une part, le gouvernement national fixe des standards, d'autre part, les gouvernements provinciaux devront élaborer des programmes pour atteindre ces objectifs-là. Étant donné que tout ceci se fait par le biais d'un financement avec des travailleurs de la santé qui devront fournir les services nécessaires, que tout ce monde-là est parti pris dans le processus de la distribution des soins et qu'il y a un danger d'être juge et parti, que ce soit le gouvernement fédéral, que ce soit le gouvernement provincial,

*[Traduction]*

**Sœur Power:** Merci. J'espère que cela ne vous dérange pas si je réponds en anglais. Mon français est limité à une variante terre-neuvienne.

**M. Loiselle:** Oui, mais vous avez passé un certain temps au Nouveau-Brunswick.

**Sœur Power:** Seulement quand j'y ai été obligée, monsieur. Tout en précisant dans notre recommandation sur la surveillance que nous ne sommes pas en faveur de l'imposition de restrictions fédérales sur les programmes, nous soulignons à plusieurs reprises dans notre exposé que le gouvernement fédéral a un rôle à jouer dans la surveillance des programmes. Le conseil de la santé ne serait pas seulement un instrument du gouvernement fédéral, mais un organe hétéroclite, avec une représentation fédérale qui pourrait donner des conseils. Quant aux normes, dans le sens où nous les entendons, il serait très difficile de les mesurer et de les imposer. Les seules normes qu'on pourrait rendre obligatoires seraient les normes régissant les programmes, à moins de fixer des plafonds. Je crois que M. Martin aurait d'autres observations à faire.

**Mr. Martin:** Mr. Chairman, basically what the Canadian Hospital Association is recommending is that previous practice be allowed to define program content. Let us mention programs such as cardio-vascular or pediatric care. We are advocating that the federal government, in co-operation with the provinces, set standards to be met by the various health programs such as, for example, the reduction of cardio-vascular diseases by all possible means. We are saying that programs should no longer be imposed as such but the hospitals and governments should be allowed to decide the best way objectives can be reached.

As classic example is infant morbidity and mortality and the fact that we in Canada succeeded in considerably lowering the infant mortality rate. This was the objective: we were not concerned about specifying the actual methods used in attaining this objective. We would like the national government to set a number of broad aims to be met by the full range of health programs offered in Canada. And if they are not met, it should be possible to make financial adjustments.

We are also saying that the federal government should set standards and that the provincial governments should develop programs for meeting these objectives. Since all this is to be achieved through appropriate funding, with health workers required to provide the necessary services, and since all these people are involved in the process of delivering health care, we are all faced with the difficulty of being both judge and judged, whether it be the federal government, the provincial government or the health worker. Thus, we believe it would be



## [Text]

que ce soit le travailleur de la santé, on est tous pris dans un dilemme où on est juge et parti en même temps. Donc, il y aurait lieu au Canada de créer un organisme qui serait composé de sages, qui serait composé de personnes choisies en fonction de leurs capacités personnelles et, pas nécessairement des gens du milieu de la santé, mais des gens des gouvernements, des gens du public en général, qui pourraient commander des études, qui pourraient faire des déclarations publiques et expliquer à la population qu'est-ce qui se passe dans le réseau de la santé et peut-être, démystifier jusqu'à un certain point toutes les données statistiques, toutes les contradictions qui sont parfois apparentes quand on lit des rapports.

C'est une recommandation que l'Association des hôpitaux du Canada a mis de l'avant il y a deux ans lors d'une rencontre avec le ministre de la Santé, M<sup>me</sup> Bégin. C'est une recommandation qu'on a faite à M. le juge Hall au moment où il a fait son enquête. C'est une recommandation qu'on ramène ici parce que l'on croit qu'il y a lieu d'établir cet organisme neutre qui va chapeauter, si vous voulez, qui va être au-dessus de tous ces problèmes-là et qui va être capable d'éclairer votre comité, les associations professionnelles, les gouvernements et ainsi de suite et essayer de leur donner des conseils judicieux.

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**M. Loisele:** Est-ce que le gouvernement fédéral devrait defrayer sur une base 50-50 les efforts faits par les provinces pour rencontrer les objectifs établis par tout le monde, y compris les sages, ou devrait-il agir selon une formule de block funding?

**M. Martin:** Voulez-vous dire par rapport au Conseil de la santé?

**M. Loisele:** Non, il y a le Conseil de la santé et je comprends son rôle mais vous nous dites que le gouvernement fédéral devrait établir des standards ou des objectifs à atteindre et que le gouvernement fédéral devrait laisser aux provinces le soin de choisir les moyens pour atteindre ces objectifs. Est-ce que le gouvernement fédéral doit y aller avec un financement global ou est-ce que le gouvernement fédéral doit y aller par un programme à frais partagés? Au Québec, si nous voulons prendre les moyens les plus dispendieux de la terre mais que, par contre, au Manitoba, on décide d'atteindre ces objectifs par des moyens moins dispendieux, quelle devrait être la méthode de financement du gouvernement fédéral? Est-ce que c'est de payer 50 p. 100 de la note soumise par les provinces ou est-ce par un block funding tel que l'on connaît depuis 1977, établi sur une moyenne nationale?

**M. Martin:** Monsieur le président, la réponse est à la recommandation 23, où l'Association des hôpitaux du Canada recommande que les ententes fédérales-provinciales, communément appelées *block funding*, soient reconduites, et qu'il y ait possibilité, à l'intérieur de la formule de *block funding*, de faire certains accommodements, certains réaménagements de façon à reconnaître les besoins de certaines provinces qui auraient besoin d'un financement plus grand.

Mais, encore une fois, la recommandation 23 de l'Association des hôpitaux du Canada recommande essentiellement que

## [Translation]

advisable to set up in Canada a body of enlightened people chosen because of their professional abilities, not necessarily from the health field, but representatives of government and the public at large, with the power to commission studies, make public statements and explain to the population development in the health care delivery system and demystify to some extent all the statistical data and apparent contradictions found in different reports.

This recommendation was made by the Canadian Hospital Association some two years ago in a meeting with the Minister of Health, Miss Bégin. The recommendation was also made to Mr. Justice Hall during his investigation. We are making it once again since we believe that a neutral umbrella organization such as this, one which will not be directly involved in the various issues and problems, will be in a position to enlighten your Committee, professional associations, governments and so forth, and give wise advice.

**Mr. Loisele:** Should the federal government pay half of the cost involved in having the provinces meet the common objectives agreed on by everyone, including the advisory council, or should we use a block funding arrangement?

**Mr. Martin:** Do you mean with reference to the Health Council?

**Mr. Loisele:** No, I realize the proposed role of the Health Council, but you are saying that the federal government should set standards or objectives to be reached with the provinces being allowed to choose the means they consider appropriate. Should the federal government make its contribution under a block funding arrangement or through shared cost programs? If we in Quebec were to choose the most costly methods possible, but Manitoba were to opt for a less expensive approach, what decision should the federal government make about funding? Should it pick up 50 per cent of the province's bill or proceed through block funding, as has been practised since 1977, established on a national average?

**Mr. Martin:** Mr. Chairman, the answer is in recommendation 23, where the Canadian Hospital Association advocates the renewal of the federal-provincial agreements commonly referred to as block funding. We believe that it should be possible within the block funding formula to make certain accommodations or readjustments which take into account the requirements of certain provinces in need of greater funding.

But basically, our recommendation 23 calls for a renewal of the present financing formula for another five years.

[Texte]

l'on reconduise, pour un autre cinq ans, la formule actuelle de financement.

**M. Loisel:** Justement, je voyais votre recommandation 23, et j'ai de la difficulté à mettre tout cela ensemble. Si vous prenez la situation actuelle, qui est quand même celle que nous vivons depuis quatre ans et demi, bientôt, vous voyez que dans les provinces les moins bien nanties, il y a certaines provinces où les soins de la santé sont moins bons, ou se comparent moins bien avec d'autres. A mon avis, je pense que les deux provinces où les efforts sont... où toutes les associations semblent nous dire que les efforts sont les mieux faits, ce sont une province pauvre comme le Québec, une province qui est moins riche que la moyenne nationale, et une province très riche comme l'Alberta.

Par contre, il y a des provinces qui jouissent d'une capacité de revenus assez importante et qui considèrent les soins de la santé comme moins importants, probablement, où on en fait moins une priorité.

Alors, si vous nous dites que nous devons y aller avec le block funding, mais que, par contre, le gouvernement fédéral doit établir des objectifs à être atteints sans pour autant imposer, dans les modalités, des moyens pour rencontrer ces objectifs, je ne vois pas comment nous allons changer la situation actuelle où vous avez des provinces où les soins de la santé sont très bons et d'autres provinces où les soins de la santé sont moins bons. Je ne vous dis pas qu'ils ne sont pas bons, mais ils ne sont pas de qualité égale.

Comment allons-nous concilier tout cela? Vous pensez que votre Conseil national de la santé, juste par ses moyens de pression, ... Vos sages vont dire aux non-sages politiciens: «Demain matin, il faut que vous vous mettiez à l'œuvre, que vous arrêtiez de construire des routes avec l'argent du gouvernement fédéral et que vous consacriez cela au domaine de la santé!» Est-ce cela?

**Sister Power:** I am not trying to answer you facetiously at all, Mr. Chairman, but really, at the beginning of our presentation we said something which we think is very real: that we do not have a magic formula to give to you right now. We do think it could be worked out if we could sit down together and we could all talk about it. There is a way of coming to it; there has to be. It is unreal that the people in the have-not provinces of Canada get a lower standard of care than that which is acceptable. I am not saying we all have to have Cadillac-type care. I am not saying that every hospital has to have a CAT scanner, or anything like that. But there are unacceptable levels of care which we do not think any Canadian really has to suffer through, and there has to be a way to work that out. But certainly I can tell you very honestly we will not be able to tell you what it is this afternoon.

**M. Loisel:** A date, est-ce qu'il y a certaines provinces où vous considérez que les soins de la santé ne sont pas acceptables selon les standards que l'on pourrait qualifier de souhaitables?

**Sister Power:** Right now?

**Mr. Loisel:** Right now.

[Traduction]

**Mr. Loisel:** Yes, I found it difficult to reconcile your recommendation 23 with what you have been saying. At the present time, under the arrangements which have been in effect for the last four-and-one-half years, the health care offered by some of the have-not provinces is not of as high a quality as in others. Judging from the remarks made by the various associations, the two provinces which seem to be making the best efforts are Quebec, which is less well off than the national average, and Alberta, one of the richest.

Some provinces with a high revenue are, on the other hand, assigning a lower priority to health care.

Although you are in favour of continuing block funding, you say that the federal government should set the objectives to be met without imposing the particular means or conditions involved. I do not see how this will change the present situation with health care of a very high quality being offered in some provinces, and not as good service offered in others. I am not saying that the service is not good, but the quality is not the same.

How can we reconcile all this? Will your National Health Council have to start pressuring us politicians to stop building roads with federal money so that more can be invested in health?

**Sœur Power:** Je vous rappelle qu'au début de notre exposé, nous avons souligné, à juste titre, que nous n'avons pas de formule magique à vous proposer maintenant. Mais nous croyons qu'il serait possible d'élaborer une bonne formule si nous pouvions tous nous réunir pour en discuter. Il doit y avoir une solution. Il est inadmissible que la population des provinces défavorisées du Canada reçoive des soins inférieurs. Je ne dis pas que nous devons tous avoir des services exceptionnels à notre disposition. Il n'est pas nécessaire que tous les hôpitaux possèdent un tomographe axial CAT. Mais certaines situations sont inacceptables pour des citoyens canadiens et nous devons chercher une solution. Mais nous ne pourrions certainement pas vous la proposer, cet après-midi.

**Mr. Loisel:** Are there some provinces where, in your opinion, health care does not meet standards which might be described as desirable.

**Sœur Power:** En ce moment?

**M. Loisel:** En ce moment.



## [Text]

**Sister Power:** I think there are some types of care which are unacceptable. We held a long-term care conference last week here in Ottawa and there are some aspects of long-term care across Canada that I do not like. I do not think the proper type of care is available and it is not going to be available for a while. It is not because of good will or anything like that but the standards are such and the money that is available is such that it is not going to improve right now.

I think British Columbia and Alberta have excellent programs in the long-term care field. They are very broad and all-encompassing, but even they will say that they have gaps. But if you come into some of the other provinces you will find large, large gaps. I think that our citizens who have given their lives to Canada have a right to expect at the end of their lives or in their latter days that they would have as good care as they have a right to.

**M. Martin:** Monsieur le président, j'aurais peut-être quelques commentaires à faire pour répondre à M. Loiselle.

Notre présidente nous a fait part de ses opinions et c'est tout à fait juste. J'aimerais ajouter qu'il est extrêmement difficile de passer un jugement de valeur sur ce que l'on appelle couramment la question de la qualité des services. On peut porter des jugements sur la quantité, sur le nombre d'admissions, le nombre de jours d'hospitalisation, la durée du séjour, le nombre d'interventions, le nombre d'analyses de laboratoire et ainsi de suite mais porter un jugement sur la qualité des services offerts est une chose extrêmement complexe.

Dans notre mémoire, on parle du financement de la recherche dans le développement des standards de santé. Je pense que c'est là qu'est une partie de la clef dont on a besoin pour l'avenir.

Actuellement, on sait exactement quels sont les intrants dans le système, l'*input*. On sait comment ils sont organisés ensemble pour faire un *process*. On connaît en gros l'*output*, c'est-à-dire ce qui sort de ce système-là en terme de patients qui sont traités, qui sont hospitalisés, de services et ainsi de suite. Cependant, on a énormément de difficulté à analyser ce que l'on appelle communément l'*outcome*, à savoir quel impact tout ce système, tout cet appareillage-là a sur la qualité de la vie, de la santé des Canadiens.

C'est cela, la question que vous posez. C'est pour cela que nous, on se dit: il y a peut-être lieu de fixer des standards qui devront être atteints plutôt que d'essayer de revenir à la formule des programmes. Parce que les programmes, je pense, jusqu'à un certain point, nous ont joué un vilain tour. Ils nous ont amenés à bâtir un système de santé fort dispendieux. On a commencé par instaurer le régime d'assurance-hospitalisation quand peut-être un grand nombre de personnes auraient pu recevoir des soins adéquats sans nécessairement passer par le biais de l'hospitalisation.

Au début des années 60, vous vous souviendrez, étant donné que le régime de l'assurance-hospitalisation existait, il était de pratique courante de demander d'être hospitalisé justement parce que c'était un droit donné à tous les Canadiens.

**Le président:** Si vous me permettez, j'aimerais que vous me donniez une clarification. Le conseil consultatif dont vous

## [Translation]

**Sœur Power:** Certains types de soins médicaux sont inacceptables. La semaine dernière à Ottawa, nous avons tenu une conférence sur les soins à long terme et certains aspects des soins à long termes offerts au Canada ne me plaisent pas. Je ne crois pas que les services existants soient adéquats, mais je pense qu'on attendra longtemps avant d'avoir une amélioration. Ce n'est pas la volonté qui manque, mais les fonds sont trop limités pour que la situation s'améliore immédiatement.

La Colombie-Britannique et l'Alberta ont d'excellents programmes de soins à long terme qui, même s'ils sont très compréhensifs, comportent des lacunes. Mais dans les autres provinces, les lacunes sont énormes. Je crois que les Canadiens qui ont consacré leur vie à leur pays ont le droit de s'attendre à ce que l'on s'occupe bien d'eux à la fin de leur jours.

**Mr. Martin:** Mr. Chairman, I have a few comments in response to Mr. Loiselle.

Our President has told us how she feels about this and she is absolutely right. I would like to add that it is extremely difficult to pass a value judgment on what we now refer to as the quality of service issue. We can pass judgment on quantity, on the number of admissions, the number of days spent in hospital, the length of the stay in hospital, the number of operations, the number of laboratory tests, etc., but judging the quality of service is an extremely complex thing.

We refer in our brief to the financing of research into the development of health standards. I think this is part of the key we need for the future.

We now know exactly what input there is into the system. We know how this input is organized to form a process. We know basically what the output is, or what comes out of the system in terms of patients who have been treated or hospitalized, services, etc. However, we have had a very hard time analysing what is commonly called the outcome, that is, the impact of this system or apparatus on the quality of life and the health of Canadians.

That is really what you are asking. That is why we feel that we should perhaps concentrate on setting standards instead of trying to go back to the program formula. I think that programs, up to a certain point, have played a dirty trick on us. Because of them, we have created a very expensive health system. We started by setting up a hospitalization insurance plan, when many people may have received adequate treatment without necessarily being hospitalized.

You will remember that at the beginning of the sixties, the hospital insurance plan was already in place and many people asked to be hospitalized simply because all Canadians had this right.

**The Chairman:** I would like some clarification. If I have understood you correctly, the advisory or health council that

[Texte]

parlez ou le conseil de la santé, si je comprends bien, c'est une approche en vue d'arriver à des standards sur une base volontaire . . .

**M. Martin:** Oui, oui.

**Le président:** . . . entre les différents gouvernement, fédéral, provinciaux, et les hôpitaux. Qu'est-ce qui arrive en l'absence de volonté d'avoir des standards?

**M. Martin:** Eh bien, je pense que le conseil de la santé du Canada, qui devra informer les gouvernement, les politiciens et le public en général, devrait être capable de fournir les outils nécessaires pour qu'on fasse pression auprès des divers niveaux de gouvernement. Ceci, il faut bien se le dire, est maintenant situé dans un contexte politique. On sort complètement du domaine professionnel et le financement du réseau de santé au Canada est alors fait par le biais des gouvernements et est maintenant l'objet de tout l'appareillage politique qui y joue. A ce moment-là . . .

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**Le président:** Qu'est-ce que vous faites s'il n'y a pas d'entente volontaire sur les standards?

**M. Martin:** Là, ce sera alors les gouvernements qui décideront, et si les gouvernements croient qu'ils peuvent être réélus avec certaines promesses ou certains changements, ils devront le faire.

**Le président:** Oui, mais lorsque vous avez 10 provinces, elles n'ont pas toutes des élections en même temps. D'après vous, s'il n'y a pas d'entente . . . Je peux partager votre optimisme qu'il y ait des ententes volontaires au niveau des standards, mais il n'a pas toujours été possible, au Canada, d'avoir des mécanismes de coopération comme ça. A ce moment-là, pensez-vous que le gouvernement fédéral devrait lier sa participation à une entente sur les standards ou pensez-vous qu'on devrait accepter le fait qu'il n'y ait pas d'entente sur les standards? Supposons qu'il ne peut pas y avoir d'entente, avec toute la bonne volonté au monde de votre part et du Conseil de la santé du Canada, pensez-vous que le gouvernement fédéral devrait imposer des standards, les lier directement à sa contribution?

**M. Martin:** S'il le désire, ça demeure son choix.

**M. Loiseleur:** C'est ce qu'on devrait faire. par exemple, ce que le président dit, c'est que si on s'entend et qu'il y a 7 provinces qui sont d'accord avec nos standards, et qu'il y en a 3 qui disent qu'elles ne sont absolument pas d'accord et qu'elles trouvent que c'est trop, qu'est-ce qu'on fait? Est-ce qu'on dit que dans ces provinces-là, on donnera moins d'argent? Votre Conseil, vos sages ont dit à la province que ce sont de bons standards, le gouvernement fédéral et les 7 provinces s'entendent et il y a 3 provinces qui disent non. Qu'est-ce qu'on fait?

**M. Martin:** Je ne sais pas.

**Sister Power:** I know that this is a real dream, this health council of Canada, and it certainly will not work in 1981 or 1982 because it will take some time to get off the ground, but I think for a beginning, if there was a health council of Canada, and if it did work towards standards—we would not end up with the same standards everywhere in the beginning for the

[Traduction]

you referred to is one way of setting standards on a voluntary basis.

**Mr. Martin:** Yes.

**The Chairman:** This would be done jointly by the federal and provincial governments and hospitals. What would happen if no one wanted to have standards?

**Mr. Martin:** I think that the Canada Health Council, which will be in a position to inform governments, politicians and the general public, should be able to provide the means of exerting pressure on the various levels of government. We must admit, however, that this is now done in a political context. We are getting completely out of the professional sector and the health network in Canada is financed by the government and is now subject to all of the political apparatus which is coming into play. At the time . . .

**The Chairman:** What do you do if there is no voluntary agreement on standards?

**Mr. Martin:** In that case, it would be the government that decides and if the governments believe that they can be re-elected by making some promises or some changes, they should do so.

**The Chairman:** Yes, but when you have 10 provinces, they do not all hold elections at the same time. In your opinion, if there is no agreement—I can share your optimism concerning the voluntary agreements on standards, but it has not always been possible in Canada to have mechanisms of co-operation of that type. At this point in time, do you feel that the federal government should link its participation to an agreement on standards or do you feel that one should accept the fact that there would not be an agreement on standards? Let us assume that there cannot be an agreement, even with the best will in the world from you and from the Canada Health Council, do you feel that the federal government should impose standards and link them directly to its contribution?

**Mr. Martin:** If it wishes to do so, that is its own choice.

**Mr. Loiseleur:** That is what we should do. For example, following what the chairman said, if there is an agreement and seven provinces agree to our standards, and three absolutely do not agree and they feel the standards go too far, what can be done? Should one say that less funds will be allocated to those provinces? Assuming that your Council, your wise men tell the province that these standards are good, and that the federal government and seven provinces have come to an agreement with three provinces disagreeing; what does one do?

**Mr. Martin:** I don not know.

**Sœur Power:** Je sais qu'il s'agit vraiment d'un rêve, en parlant de ce Conseil de la santé du Canada, et il ne fonctionnera pas en 1981 ou 1982 parce qu'il faudra du temps pour le lancer, mais je crois que s'il y avait un Conseil de la santé du Canada, et s'il s'appliquait à établir des normes, au début, nous n'aurions pas les mêmes normes partout pour la simple



[Text]

simple reason, it would just take too much. You would have to take quantum leaps in some provinces in relation to what you would have in the others. So this whole approach would be a very flexible program.

**The Chairman:** But with minimums.

**Sister Power:** But with minimums. Now, we do have certain standards and I would not like to think that we are leaving with the understanding that there are no standards in Canada. There is a voluntary system whereby we try to reach what we call optimum standards through an accreditation process. Our problem, when we talk about this health council, is that we wonder how much we are able to measure the quality right now and there is so much research needed to help that. Am I tying in with what you wanted to say?

**Mr. Blenkarn:** No, I kind of agree with you. My concern is that standards tend to be community standards where the community exists. I notice in your brief that Newfoundland has 2.4 employees per hospital bed and Saskatchewan has not got a good health plan because they only 1.51 employees per bed. On that basis Newfoundland would have the highest standards in Canada. But the point of the matter is that it is the standard that is acceptable in Newfoundland, presumably it is or the people would throw the Newfoundland government out or do something like that.

**Sister Power:** I refuse to answer on the grounds that it could be incriminating.

**Mr. Blenkarn:** In any event, it is a question of the judgment of a local community whether you need 2.42 persons per bed or whether you can get along with 1.5 persons per bed. Is that a fair answer?

**Mr. Paul Brown (Vice-President, Canadian Hospital Association):** I think, Mr. Chairman, that that still refers to an input standard, the number of staff, and we would like to see the council devote its efforts toward an output standard. That is not answering the limit that it is posed with. If it is not met, how do you enforce it?

**Sister Power:** Mr. Chairman, I would not like the task force to concentrate totally on our health council though because there are several recommendations in there that are extremely important. This health council is a dream that we have and we really think it could help towards the quality of care in Canada, because unless you have some way of all of us talking together about the standards and about what the output should be—but built into it a flexibility and, back to what we were talking about, not saying that this year in Alberta the standards are this, and the same standards hold in Newfoundland or wherever—without that type of organization set up to monitor, we are going to have to find something else to put in its place and I do not think some of the other options will be as acceptable.

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**The Chairman:** Mr. Herbert, briefly.

[Translation]

raison qu'il faudrait trop de travail. Pour certaines provinces, il faudrait faire énormément plus que dans d'autres. Dans son ensemble, l'approche devrait être basée sur un programme souple.

**Le président:** Mais qui comprendrait des minima.

**Sœur Power:** Mais avec des minima. Cependant, nous avons certaines normes et je n'aimerais pas vous donner l'impression qu'il n'y a pas de normes au Canada. Il y a un système volontaire où nous essayons d'atteindre ce que nous appelons des normes optimales par un processus d'accréditation. Notre problème, en parlant de ce Conseil de la santé, c'est de savoir dans quelles mesures nous sommes capable d'évaluer la qualité à l'heure actuelle et il faudra faire beaucoup de recherches pour le faire. Est-ce bien cela que vous vouliez dire?

**M. Blenkarn:** Non, en quelque sorte je suis d'accord avec vous. Ma préoccupation concerne le fait que les normes ont tendance à être des normes communautaires là où les communautés existent. Je note dans votre mémoire tandis que la Saskatchewan en a 1.51. Qui peut dire que la Saskatchewan n'a pas un bon programme de santé parce qu'elle n'a que 1.51 employé par lit. Sur cette base, Terre-Neuve jouirait du niveau le plus élevé du Canada. Mais la vérité est que c'est la norme acceptable à Terre-Neuve; je présume que c'est le cas, sinon le peuple ferait démissionner le gouvernement de Terre-Neuve ou ferait autre chose du genre.

**Sœur Power:** Je refuse de répondre pour le motif que cette réponse pourrait m'incriminer.

**M. Blenkarn:** De toute manière, il s'agit d'un jugement fait par une communauté locale quant à savoir si on a besoin de 2.42 personnes par lit ou s'il suffit d'en avoir 1.5. Cette réponse est-elle juste?

**M. Paul Brown (vice-président, Association des hôpitaux du Canada):** Je crois, monsieur le président, que l'on fait toujours référence à une norme d'apport, le nombre d'effectifs, et nous aimerions que le Conseil fasse des efforts vers une norme de sortie. Ceci ne répond pas au problème des contraintes imposées. Si on ne le respecte pas, comment peut-on le faire respecter?

**Sœur Power:** Monsieur le président, je n'aimerais pas que le groupe de travail se concentre uniquement sur notre Conseil de la santé, étant donné que notre mémoire contient plusieurs autres recommandations d'une grande importance. Ce conseil de la santé est un rêve qui, à notre avis, pourrait contribuer à la qualité des soins au Canada, car tant que l'on ne pourra pas discuter tous ensemble des normes et des résultats souhaitables, il faudra trouver un autre système qui à notre avis ne sera pas aussi bon. Il faudrait en effet pouvoir dire que les normes qui s'appliquent cette année en Alberta s'appliquent également à Terre-Neuve ou ailleurs et ce conseil, en offrant beaucoup de souplesse, permettrait de contrôler l'ensemble.

**Le président:** Monsieur Herbert, brièvement.

[Texte]

**Mr. Herbert:** Yes, I will be as quick as I can. It is obviously desirable that the 11 governments reach some sort of agreement and we must remain optimistic that that will be so.

I think we have a responsibility to look at possible alternatives. In fact, Sister Power, you mentioned that elderly people have a right to be properly cared for in their old age and statistics indicate that we are going to have more and more elderly people requiring medical attention, as the years progress, proportionately.

We have discussed with various groups the comparisons of chronic care and acute care and we know that one of the difficulties we experience in hospitals is that, when we get a chronic care patient in for acute care treatment, he or she is there for life. You cannot get him or her out again. Then we have had other groups that have pointed out to us how much less costly it is to care for the elderly in their homes rather than in hospitals and so on. Have you as a group given any thought to how this problem might be approached? What I am obviously thinking of is the fact that, whilst we cannot directly involve ourselves in medical treatment and hospitals and so on, the federal government already recognizes its responsibilities to the elderly and might go a little step further in providing financial assistance to the elderly who are not sick and in need of hospital treatment. Has the Hospital Association given any thought to this type of thing? It is going to become an increasing problem and I do not think we necessarily want to see our hospitals filled with elderly persons because they have not got a bed somewhere else.

**Sister Power:** For the past year we have been actively working on trying to establish at least some idea of what is available in Canada for the elderly in long-term or supportive services of any type. We are in the middle of that process right now, working with the Long Term Care Association and sending out a questionnaire, because the biggest flaw is that we do not know what is available. Nobody knows: even within provinces it is hard to determine what is available. So we are trying that route.

We are also strong advocates of what you talk about: not an acute bed for a patient who is not ill, but supportive services in the community. But even giving money to the elderly will not solve the problem because the elderly person does not know how to get the services unless they are in the community and available to him.

Many of these services are health related: they may sound social, but they are very health related. A person at 65 today is very young, usually; but the health system is such, and living and culture are such, that people are living so much longer and it is the 75 and up group who are very frail and in need of support services who really need the care. Within the community there must be some types of social services that will support that person when families are gone, somewhere they can get a good meal either outside their own home or within their own home, somewhere where medical attention can be paid to them before the aspect which is making them ill becomes a problem.

[Traduction]

**M. Herbert:** Oui, je serai aussi bref que possible. Il est évidemment souhaitable que les 11 ou gouvernements parviennent à un entente et nous devons rester optimistes.

Je pense qu'il nous faut toutefois envisager d'autres possibilités. En fait, vous avez mentionné, sœur Power, que les personnes âgées avaient le droit de recevoir des soins convenables et que les statistiques nous montrent que nous aurons de plus en plus de personnes âgées nécessitant des soins médicaux.

Nous avons discuté avec différents groupes des comparaisons entre les soins chroniques et les soins immédiats et nous savons qu'une des difficultés dans les hôpitaux est que lorsque l'on reçoit un malade chronique pour un traitement immédiat quelconque, il y reste à vie. On ne peut lui faire quitter l'hôpital. Il y a d'autres groupes qui nous ont signalé qu'il était beaucoup moins coûteux de s'occuper des personnes âgées à leur domicile que dans les hôpitaux, etc. Votre groupe a-t-il réfléchi à la façon d'aborder ce problème? Si nous ne pouvons directement nous occuper des traitements médicaux et d'hôpitaux, et caetera, le gouvernement fédéral reconnaît néanmoins ses responsabilités à l'égard des personnes âgées et pourrait aller un peu plus loin et offrir une aide financière aux personnes âgées qui ne sont pas malades et ont besoin d'un traitement hospitalier. L'Association des hôpitaux a-t-elle réfléchi à ce genre de choses? C'est un problème qui n'ira qu'en augmentant et je ne pense pas que nous souhaitions que nos hôpitaux se remplissent nécessairement de personnes âgées tout simplement parce qu'elles ne peuvent aller ailleurs.

**Sœur Power:** Depuis un an, nous travaillons très activement à l'établissement d'un inventaire, aussi incomplet soit-il, de ce qui existe au Canada pour les personnes âgées nécessitant des services à long terme d'un type ou d'un autre. Nous sommes en plein travail et nous faisons cela avec l'Association pour les soins de longue durée. Nous envoyons un questionnaire car la grosse difficulté est que nous ne savons pas ce qui existe. Personne ne sait: même dans les provinces, il est difficile de déterminer ce qui existe. Nous essayons donc d'y parvenir ains.

Nous préconisons également vigoureusement ce dont vous parliez: d'offrir des services dans la collectivité plutôt que de faire occuper par des non-malades les lits nécessaires aux soins. Toutefois, ce n'est pas parce que l'on donnera de l'argent aux personnes âgées que l'on résoudra le problème car elles ne savent pas comment obtenir les services nécessaires s'ils ne sont pas directement à leur portée.

Nombre de ces services touchent la santé: ils ont peut-être l'air sociaux, mais ils sont tout à fait liés à la santé. Habituellement, une personne de 65 ans est aujourd'hui très jeune mais le régime sous lequel nous vivons, notre mode de vie et notre culture sont tels que les gens vivent beaucoup plus vieux et que ce sont ceux de 75 ans et plus qui ont besoin de ces services. Il faut qu'il existe dans la collectivité des services sociaux pour aider ces gens lorsque leurs familles ne sont plus là, pour leur permettre de prendre de bons repas soit chez-eux, soit à l'extérieur, de bénéficier d'une surveillance médicale avant que leurs maux ne deviennent plus graves.



[Text]

**Mr. Herbert:** I do not expect you, Sister, necessarily to divide the responsibilities between the provincial and federal; but what I have in mind is that, for example, in my own riding, there are a couple of foyers where there is medical attention also available and therefore the whole centre then becomes a provincial responsibility. We have other homes for the elderly where the financing—in fact, almost all of the cost—has been provided by the federal government and we have one effort being made at the moment to divide a medical centre from a home for the elderly by a very thin line to divide provincial and federal responsibilities. It is this type of thing that I have in mind because there are many of the elderly who cannot, or at least should not, live alone but probably should be able to have their own accommodation but attached to something else.

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**Sister Power:** I hope you are aware also that there is a level of funding where families are asking medical men to push mom or dad up into level 4, say, because then the funding becomes automatic . . .

**Mr. Herbert:** Yes.

**Sister Power:** . . . and it immediately puts that person in the wrong category, getting the wrong service, and they deteriorate because the services that are proper are not available within that one.

So I do not know if we really would like to see so much separation of the federal and provincial responsibility because I think the provinces have to assume responsibility for those people also.

**Mr. Herbert:** We may not have any choice, but we will come to that. The last point: When is your study going to be available?

**Sister Power:** The questionnaires are out now and we would hope they will be back by the end of June, but we do not expect to have the results collated before September.

**Mr. Herbert:** Thank you.

**Sister Power:** You are welcome to those results when we have them.

**Mr. Martin:** Mr. Chairman, may I make a comment? I would like to compliment Mr. Herbert on his question because Sister Power to a certain extent is a politician: she was elected Chairman of the Board of CHA last year and in her acceptance speech in Montreal the priority that she gave to CHA was to work in a long-term care field. So that has been our number one priority all this year, thanks to Sister, who has been promoting this priority very strongly.

**Mr. Herbert:** Merci, monsieur Martin.

**The Chairman:** Thank you very much for your very good brief. It will certainly be helpful to us in our deliberations leading up to our report.

**Sister Power:** Thank you. We hope that if we can help you will call on us again.

**Mr. Blenkarn:** We certainly will.

[Translation]

**M. Herbert:** Je ne vous demande pas, ma sœur, de viser les responsabilités entre le gouvernement fédéral et les provinces, mais par exemple, dans ma circonscription, il y a deux foyers qui offrent également des services médicaux si bien que tout le centre relève de la responsabilité provinciale. Nous avons d'autres foyers pour les personnes âgées presque entièrement financés par le gouvernement fédéral et l'on essaie en ce moment de diviser un centre médical qui se trouve dans un foyer afin de faire la distinction entre les responsabilités provinciales et fédérales. C'est le genre de choses auxquelles je pense car il y a beaucoup de personnes âgées qui ne peuvent, ou du moins qui ne devraient pas vivre seules mais qui pourraient probablement avoir un logement personnel rattaché à quelque chose d'autre.

**Sœur Power:** J'espère que vous savez également qu'il y a un niveau de financement où les familles demandent au médecin de mettre leur père ou mère au niveau 4 où le financement devient automatique . . .

**M. Herbert:** Oui.

**Sœur Power:** . . . si bien qu'immédiatement la personne se retrouve devant la mauvaise catégorie, reçoit des services inappropriés et ne reçoit pas ce dont elle aurait besoin.

Je ne sais pas si l'on veut vraiment séparer encore davantage les responsabilités fédérales et provinciales car je crois que les provinces doivent également assumer quelques responsabilités vis-à-vis de ces personnes.

**M. Herbert:** Nous n'avons peut-être pas le choix mais il nous faudrait y revenir. Enfin: quand cette étude sera-t-elle disponible?

**Sœur Power:** Les questionnaires sont envoyés et nous espérons les recevoir d'ici la fin juin mais je ne pense pas que les résultats pourront être compilés avant septembre.

**M. Herbert:** Merci.

**Sœur Power:** Nous vous communiquerons volontiers ces résultats lorsque nous les aurons.

**M. Martin:** Monsieur le président, puis-je faire une observation? Je veux en effet féliciter M. Herbert de sa question car sœur Power dans une certaine mesure appartient au monde de la politique: elle a été élue présidente du Conseil de l'Association des hôpitaux canadiens l'année dernière et dans son discours à Montréal elle a donné comme priorité à l'Association de travailler aux soins de longue durée. C'est donc la priorité que nous avons respecté toute l'année et je puis vous assurer que sœur Power a vigoureusement insisté là-dessus.

**M. Herbert:** Thank you, Mr. Martin.

**Le président:** Merci beaucoup de cet excellent mémoire. Il nous aidera certainement dans nos délibérations devant mener à la publication de notre rapport.

**Sœur Power:** Merci. Nous espérons que vous nous rappellerez si nous pouvons vous être de quelque utilité.

**M. Blenkarn:** Certainement.

[Texte]

**The Chairman:** We will now continue with witnesses from the National Indian Brotherhood, whom I would ask to come forward to the table. Mr. Del Riley, the President of the National Indian Brotherhood, is leading the delegation before us this afternoon.

I would ask Mr. Riley to introduce the three other people with him. We have a copy of your brief. I will ask the members in a minute to append it to our Minutes of Proceedings and Evidence so it will not be essential for you to read it into the record for it to be official. Perhaps you would like to summarize it and then we will go on to questioning.

**Mr. Del Riley (President, National Indian Brotherhood):** Thank you, Mr. Chairman. With me are Mr. Alistair Campbell, a consultant, and Mr. Irvin Goodleaf, who is also a member of our staff. As well, we have our legal counsel with us.

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**The Chairman:** What is the name, please?

**Mr. Riley:** Mr. Badcock; and myself, Mr. Riley.

**The Chairman:** Is it agreed, then, gentlemen?

**Mr. Riley:** We would much prefer if we could read the brief to the committee. I know it will cut a bit into the question period, but . . .

**The Chairman:** Go ahead.

**Mr. Riley:** Mr. Chairman, hon. members, the National Indian Brotherhood welcomes this opportunity to present its views to this task force on federal-provincial fiscal relationships.

The Canadian confederation is commonly seen as a partnership between the provinces and the federal government, each with exclusive jurisdictional areas defined in the British North America Act. However, there is a third legal and political entity in Canada, the Indian people of Canada, who signed treaties of peace and friendship with the Crown and who also enjoy a unique constitutional status and special rights as the original inhabitants of this land.

The Indian people of Canada are not merely another disadvantaged minority or a cultural curiosity. We have a special status by virtue of our treaty and aboriginal rights which is recognized in the British North America Act, the Royal Proclamation of 1763, and other constitutional documents. Because we have chosen to retain our identity as a distinct people, successive governments have tended to regard us as an anomaly on the national scene. In the post-Confederation period, we were made victims of a destructive federal bias which views our dispersal, urbanization, and assimilation as the only reasonable and acceptable future for Indian people. This federal policy orientation was clearly spelled out in the notorious white paper of 1969, in which the intent was stated deliberately to terminate the special status of the Indian people within Canada and to abrogate the trust responsibility of the Crown and to transfer the responsibility of Indians from the

[Traduction]

**Le président:** Nous entendrons maintenant les témoins de la Fraternité nationale des Indiens à qui je demanderai de s'approcher de la table. M. Del Riley, le président de la Fraternité nationale des Indiens conduit la délégation cet après-midi.

Monsieur Riley, voudriez-vous présenter les 3 autres personnes qui vous accompagnent. Nous avons reçu votre mémoire. Je demanderai dans une minute aux députés l'autorisation de l'annexer à notre procès-verbal et aux comptes rendus de nos délibérations si bien qu'il ne sera pas nécessaire que vous le relisiez pour qu'il soit officiel. Peut-être voudriez-vous le résumer pour que nous puissions passer immédiatement aux questions.

**M. Del Riley (président, Fraternité nationale des Indiens):** Merci, monsieur le président. À mes côtés, M. Alistair Campbell, conseiller et M. Irvin Goodleaf, également membre de notre personnel. Nous avons également notre conseiller juridique.

**Le président:** Quel est votre nom s'il vous plaît?

**M. Riley:** Il y a M. Badcock et moi-même, M. Riley.

**Le président:** D'accord messieurs?

**M. Riley:** Nous préférierions lire notre mémoire. Je sais que la période des questions s'en trouvera raccourcie, mais . . .

**Le président:** Allez-y.

**M. Riley:** Monsieur le président, messieurs, la Fraternité des Indiens du Canada est reconnaissante de l'occasion qui lui est fournie de présenter ses points de vue au groupe d'étude sur les relations fiscales fédérales-provinciales.

La Confédération canadienne est habituellement perçue comme une association entre les provinces et le gouvernement fédéral, chacun ayant ses domaines de compétence définis dans l'Acte de l'Amérique du Nord britannique. Cependant, il y a au Canada une troisième entité juridique et politique, les Indiens du Canada, qui ont signé des traités de paix et d'amitié avec la Couronne et qui jouissent également d'un statut constitutionnel unique et de droits particuliers en tant que premiers habitants de cette terre.

Les Indiens du Canada ne sont pas seulement une autre minorité désavantagée ou une autre curiosité culturelle. Nous avons un statut spécial en vertu de nos traités et de nos droits autochtones que reconnaît l'Acte de l'Amérique du Nord britannique, la Proclamation royale de 1763 et les autres documents constitutionnels. Parce que nous avons choisi de garder notre identité en tant que population distincte, les gouvernements successifs ont été portés à nous considérer comme une anomalie sur la scène nationale. Au cours de la période qui a suivie la Confédération, nous avons été les victimes d'un préjugé fédéral destructif qui voit notre dispersion, notre urbanisation et notre assimilation comme le seul avenir raisonnable et souhaitable pour les Indiens. Cette politique d'orientation fédérale a été clairement établie dans le fameux Livre blanc de 1969 dans lequel on définissait délibérément l'intention de terminer le statut spécial dont jouissaient



*[Text]*

federal government to the provinces. In our view, this fundamental policy direction is also reflected in the land settlement policies of the Office of Native Claims, the James Bay and Northern Quebec Agreement, the Drury report on the constitutional development of the Northwest Territories, the recent legislation governing resource ownership and the revenue sharing for Fort Nelson, and the 1980 directional plan developed by the Department of Indian Affairs.

It should be obvious from the experience of the United States that "termination" offers no solution to the problems confronting Indian people in this country. Indeed, after more than a century of paternalistic colonialism and assimilationist endeavours, the situation of Indian people is worsening and reaching the dimensions of a major crisis. Indian communities today are characterized by desperate social and economic conditions which have been fostered and entrenched by the policies and programs of successive federal governments, as well as the stances which the provinces have taken on aboriginal and treaty rights. Nor will this situation begin to improve so long as the federal government continues to view Indian society as an impediment to national development and to treat Indian communities as custodial institutions.

A prerequisite to any constructive solution to the needs of Indian people is a fundamental change in the nature of our relationship with the federal government. In our view, the trust responsibility which Canada assumed for Indians was never intended to become a mandate for government paternalism or assimilationist policies. Canada's post-Confederation administrations have broken the spirit and intent of original agreements with the Crown which we understood to guarantee our political, economic, and cultural rights.

Since Confederation our people have been reduced to a position of acute dependency by federal measures which have decreased our land base, depleted our natural resources, blocked our access to capital development, and deprived us of our rights to a livelihood. At the same time, our energies and morale have been sapped by a sustained attack on our languages, cultures and traditions, at immeasurable cost to our dignity, pride and self-sufficiency.

Federal bureaucracies have assumed all-encompassing decision-making powers and control over virtually every aspect of our lives. The role of the Department of Indian Affairs in this respect is unlike that of any other government department. Its influence and regulatory powers touch every aspect of the lives of its clients—residence, housing, education, commercial development, wills, estates, and political representation. In this respect it may be characterized as a total-service bureaucracy, subject to the same types of criticisms as most bureaucracies such as to size, centralization, unresponsiveness and inefficiency.

*[Translation]*

les Indiens du Canada et d'abroger la responsabilité de tutelle de la Couronne pour transférer la responsabilité des Indiens du gouvernement fédéral aux provinces. À notre avis, cette politique d'orientation fondamentale se traduit également dans les politiques de règlement des terres au Bureau de revendications des Autochtones dans l'accord concernant la Baie James et le nord du Québec, le rapport Drury sur le développement constitutionnel des Territoires du Nord-Ouest, la Loi récente contrôlant la propriété des ressources et du partage des revenus de Fort Nelson et dans le plan directeur de 1980 mis au point par le ministère des Affaires indiennes.

Il devrait être évident à la lumière de ce qui s'est passé aux États-Unis que la «termination» n'offre pas de solution aux problèmes auxquels font face les Indiens du pays. En réalité, après plus d'un siècle de colonialisme paternaliste et de tentative d'assimilation, la situation des Indiens s'aggrave et devient une crise importante. Les collectivités indiennes aujourd'hui se caractérisent par des conditions désespérées sur le plan social et économique qui ont été favorisées et enchaînées par les politiques et des programmes adoptés par les gouvernements fédéraux successifs, de même que par les attitudes adoptées par les provinces face aux droits autochtones et ceux contenus dans les traités. La situation ne s'améliorera pas tant que le gouvernement fédéral continuera à voir la société indienne comme un obstacle au développement national et tant qu'il traitera les collectivités indiennes comme des institutions dont il a la garde.

Une des conditions essentielles pour résoudre de façon constructive les besoins des Indiens serait de changer fondamentalement la nature de nos rapports avec le gouvernement fédéral. À notre avis, le Canada a assumé une responsabilité envers les Indiens qui ne devait pas se transformer en un paternalisme gouvernemental ou en des politiques d'assimilation. Les administrations canadiennes qui ont suivi la Confédération ont changé l'esprit et l'intention des accords initiaux avec la Couronne qui devait garantir nos droits politiques, économiques et culturels.

Depuis la Confédération, notre population a été réduite à une dépendance sérieuse suite aux mesures gouvernementales qui ont diminué nos terres, épuisé nos ressources naturelles, nous ont empêché d'avoir accès à l'expansion de capitaux et nous ont privé de nos droits à l'existence. On a en même temps sapé notre énergie et notre moral en s'attaquant continuellement à nos langues, nos cultures et nos traditions, et en portant de cette façon un dur coup à notre dignité, notre fierté et notre auto-suffisance.

Les bureaucrates du gouvernement fédéral ont assumé tous les pouvoirs de prise de décisions et le contrôle de presque chaque aspect de notre vie. Le rôle du ministère des Affaires indiennes sous ce rapport est différent de celui de tout autre ministère gouvernemental. Son influence et ses pouvoirs de réglementation touchent tous les aspects de la vie de ses clients, la résidence, l'habitation, l'éducation, le développement commercial, les testaments, les successions et la représentation politique. Il pourrait être caractérisé comme étant une bureaucratie de services complets, qui pourraient faire l'objet du même genre de critiques que la plupart des bureaucraties

[Texte]

• 1645

But compounding the effect of all these defects by the all-encompassing nature of its mandate, and by its fundamental unaccountability to its clients, we consider that any continuation of federal policies for Indians designed to disperse and assimilate our people, is bound to fail. We also reject any assumption that Indian society cannot or should not manage its own affairs but must remain under the grasp of a quasi-totalitarian institution. These approaches will not produce solutions, but will merely condemn the Indian people to a further infinite period of alienation in a social and cultural no man's land.

It is clear that the dimensions and implications of Indian poverty are so extensive that only a qualitatively new approach can begin to initiate a change in a developmental direction. Recent studies and surveys completed by the Department of Indian Affairs and other agencies confirm what Indian people have been saying for years. Most Indian people do not have jobs, or adequate incomes, they live in dilapidated overcrowded housings, have serious health problems and a high death rate. Our communities support a huge poverty industry employing hordes of medical, welfare and social service workers, civil servants and consultants. Most of these are nonIndian and unable in the present context to achieve anything other than palliative results.

There are an estimated 314,000 Indians in Canada at the present time, and demographic projections indicate that this number will reach 400,000 in the next decade. The average income earned by employed Indians is only one half the national average, due to a concentration of Indian people in seasonal, part-time and semi-skilled occupations. The ratio of employed to dependent persons in the Indian community has been estimated at one to ten, compared to one to two in the community at large. This abnormally high dependency ratio is reflected in disproportionately high social assistance rates which have risen from 36 per cent in 1964 to 55 and 70 per cent in 1978, compared to a social assistance rate of 6 per cent for the general population.

One family in three lives in overcrowded conditions, and less than 50 per cent of Indian housing is properly serviced compared to a national average of over 90 per cent. Life expectancy is ten years less than the national average, and violent deaths are more than three times the national average. The suicide rate stands at six times the national rate.

Forecast increases in the working age population threaten to exacerbate the situation. High mortality rates in past decades have distorted the age structure of the Indian population so that it does not conform to the national profile, thus, although Indian life expectancy is ten years' less than the national average, improved survival rates at birth have resulted in a bulge of the population pyramid in the zero to fourteen age group which now contains more than 45 per cent of the Indian

[Traduction]

quant à l'importance, la centralisation, l'absence de sensibilité et l'inefficacité.

L'effet de tous ces défauts est aggravé par la nature très envahissante de son mandat et par l'absence même d'imputabilité envers ses clients. Nous considérons que cette continuation des politiques fédérales envers les Indiens pour les disperser et les assimiler est vouée à la faillite. Nous rejetons également toute hypothèse portant que la société indienne ne peut ou ne devrait pas gérer ses propres affaires, mais doit demeurer sous la poigne d'une institution quasi totalitaire. Ces méthodes ne vont pas provoquer de solution, mais elles ne feront que condamner les Indiens à une autre période d'aliénation sans fin dans un climat social et culturel qui n'est pas le leur.

Il est évident que les dimensions et les répercussions de la pauvreté des Indiens sont si importantes que seule une nouvelle approche qualitative pourrait amorcer un changement pour une orientation nouvelle. Le ministère des Affaires indiennes et d'autres organismes confirment dans des études et des enquêtes récentes ce que les Indiens répètent depuis des années. La plupart des Indiens n'ont pas de travail, n'ont pas de revenu adéquat, et ils vivent dans des habitations délabrées et où ils sont entassés, ils ont des problèmes de santé sérieux et un taux de mortalité très élevé. Nos collectivités aident une industrie de pauvreté énorme en employant des foules de travailleurs médicaux et sociaux, de fonctionnaires et d'experts-conseils. La plupart de ces travailleurs ne sont pas indiens et ne peuvent dans le contexte actuel obtenir autre chose que des résultats palliatifs.

Il y a quelque 314,000 Indiens au Canada actuellement et les projections démographiques laissent entendre que ce chiffre atteindra 400,000 dans les prochaines décennies. Le revenu moyen que gagnent les Indiens est la moitié environ de la moyenne nationale, puisque les Indiens travaillent surtout dans des emplois saisonniers, à temps partiel et semi-spécialisés. Le rapport des employés aux personnes à charge dans la collectivité indienne est évalué à 1 à 10 comparativement à 1 à 2 dans la collectivité en général. Ce rapport de dépendance anormalement élevé se traduit par des taux d'assistance sociale disproportionnellement élevés, qui sont passés de 36 p. 100 en 1964 à 55 et 70 p. 100 en 1978, comparativement à un taux d'assistance sociale de 6 p. 100 pour la population en général.

Une famille sur trois vit dans des logements encombrés et moins de 50 p. 100 des habitations indiennes ont des services adéquats comparativement à la moyenne nationale qui est de plus de 90 p. 100. L'espérance de vie est de 10 années inférieures à la moyenne nationale et les morts violentes sont de trois fois la moyenne nationale. Le taux de suicide est de 6 fois la moyenne nationale.

Les augmentations prévues de la population en âge de travailler menacent d'aggraver la situation. Les taux de mortalité élevé au cours des dernières décennies ont faussé la structure d'âge de la population indienne, par conséquent elle n'est plus conforme au profil national et ainsi même si l'espérance de vie des Indiens est de 10 ans inférieure à la moyenne nationale, les taux de survie améliorés à la naissance se traduisent par un accroissement de la population dans le



## [Text]

population. The on-reserve working population will therefore increase from 140,000 to 170,000, or 21 per cent, in the course of this decade. This average of 3,000 potential new workers each year over the next ten years, plus a backlog of 54,000 unemployed employable Indians, as well as increases in the off-reserve Indian labour force, contrasts starkly with the current federal permanent job creation rates for Indians of 1,000 jobs per year.

## • 1650

Further, as this population expansion is taking place, the livelihood derived from traditional pursuits, including hunting and fishing and trapping, is being eroded by major resource developments which are impacting on natural populations and declining traditional skills.

The inescapable conclusion that we must reach is that the Indian people face a future promising little except greater impoverishment and more dependency. It is further clear that this dilemma is ultimately attributable to federal policies which have created and are deepening Indian poverty.

The current phenomenon of Indian chronic unemployment is of recent origin. Until the 1930's, Indians were well represented in the logging, longshoring, saw milling, construction, railroad building, farming, ranching, commercial fishing and many other skilled and unskilled occupations, as well as engaging in traditional and semi-traditional activities in the north and rural areas. Our economic exclusion from Canada began about two generations ago, at the same time as the depression, and with the centralization of this country's people and industries in large urban centres. We, too, have experienced urbanization. Almost 30 per cent of our people do not live on reserves, compared to 15 per cent a decade ago. However, this migration, motivated primarily by economic and social conditions and made up primarily of young adults, has not resolved the basic problem of Indian development.

Indians off reserve experience unemployment and welfare dependency rates of 24 per cent and are further subjected to the disorienting experience of loss of social and cultural context, as well as racism in the urban centres. As a result, ghetto-like areas have formed in some western cities straining the resources of the province and municipal health, welfare and correctional institutions. Further, the movement of working-age Indians from reserves has resulted in an unbalanced and unstable labour force in the communities, further reducing the economic potential of the reserves.

The relationship between increasing Indian dependency and federal policies is reflected graphically in government expenditures. One implication clearly evident in the spending patterns of government is that its effects reinforce and consolidate Indian poverty. The expenditure picture for 1977-78 provides a good example of this. Data provided by the Department of

## [Translation]

groupe de 0 à 14 ans ou se situent présentement plus de 45 p. 100 de la population indienne. La population de travailleurs dans les réserves augmentera donc de 140,000 à 170,000 ou 21 p. 100 au cours de cette décennie. Cette moyenne de 3,000 nouveaux travailleurs éventuels, chaque année, au cours des dix prochaines années, en plus des 54,000 Indiens employables en chômage, et les augmentations de la population active indienne à l'extérieur des réserves, contrastent singulièrement avec les taux de création d'emplois permanents du gouvernement fédéral pour les Indiens, qui prévoit 1,000 emplois par année.

Par ailleurs, à mesure que cette expansion de la population aura lieu, la subsistance que les Indiens tiraient de leur travail traditionnel, y compris la chasse, la pêche et le piégeage, sera mis en péril par les développements et les ressources importantes qui affecteront les populations naturelles et les compétences traditionnelles.

On ne peut échapper à la conclusion que les Indiens font face à un avenir qui leur promet peu, sinon une plus grande pauvreté et une plus grande dépendance. Il est évident de plus que ces dilemmes découlent finalement des politiques fédérales, qui ont créé et aggravé la pauvreté des Indiens.

Ce phénomène courant de chômage chronique des Indiens est récent. Jusqu'aux années 30, les Indiens étaient bien représentés comme bûcherons, débardeurs, dans les scieries, la construction, la construction de chemins de fer, l'agriculture, l'élevage, la pêche commerciale et bien d'autres métiers spécialisés et non spécialisés, de même que dans leurs activités traditionnelles et semi-traditionnelles dans les régions du Nord et les secteurs ruraux. Nous avons été exclus du secteur économique, au Canada, il y a deux générations environ, au moment de la dépression, et lorsque les gens et les industries ont été regroupés dans les grands centres urbains. Nous avons également connu l'urbanisation. Près de 30 p. 100 de nos gens ne vivent pas dans les réserves, comparativement à 15 p. 100 il y a une décennie. Cependant, cette migration, motivée surtout par des conditions économiques et sociales, et composée essentiellement de jeunes adultes, n'a pas résolu le problème fondamental du développement indien.

Les Indiens qui ne vivent pas dans les réserves ont des taux de chômage et de dépendance du bien-être social de 24 p. 100, et ils sont de plus désorientés à cause d'une perte de culture et de contexte social, à cause également du racisme qui existe dans les centres urbains. En conséquence, des ghettos se sont créés dans certaines villes de l'Ouest, ce qui taxe davantage les ressources des services hygiéniques provinciaux et municipaux, des services du bien-être social et des prisons. De plus, l'exode des Indiens en âge de travailler des réserves a créé un déséquilibre dans la population active des collectivités, ce qui réduit davantage le potentiel économique des réserves.

Le rapport entre une plus grande dépendance des Indiens et les politiques fédérales se traduit par une courbe ascendante des dépenses gouvernementales. Un des résultats évidents des tendances de dépenses du gouvernement, c'est que ces effets renforcent et consolident la pauvreté des Indiens. Le tableau des dépenses de 1977-1978 nous en donne un bon exemple. Les



## [Texte]

Indian and Northern Affairs show that, in 1977-78, combined federal and provincial expenditures on behalf of registered Indians totalled approximately \$1.2 billion. This amount works out to approximately \$4,200 per capita on a national basis.

During that same year, provinces committed \$1 for every \$2.60 the federal government spent on Indians. On a percentage basis, on-reserve Indians were the object of 91 per cent of federal expenditure and 46 per cent spending by provinces. Excluding the administrative portion of the federal budget, which represents the cost of delivering programs to Indians, total service expenditures for Indians consumed 95 per cent of the budget. These expenditures cover services which can be classified, for the most part, as responses to chronic unemployment, bad health, family breakdown and other similar manifestations of poverty.

Provincial expenditures reflect much of the same kind of priorities as federal spending. In the case of the provinces, the bulk of appropriated funds go for health care, policing, corrections and varieties of custodial care. Because off-reserve Indians are the subject of a long-standing jurisdictional dispute between federal and provincial authorities, there are few special services available for urban migrants to assist them to obtain jobs, adequate housing, or skills. Only about 5 per cent of federal and provincial expenditures can be classed as truly developmental. This means that Indian communities suffer from a chronic and severe shortage of capital needed to develop their communities and to generate economic self-sufficiency. It is a truism that no development is possible without capital and that unless this deficiency is met there can be no escape from dependency.

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Budgetary restraints in recent years have tended to reduce the scope for Indian participation in the economy to the vanishing point. In real terms, federal government expenditures for Indians have increased 14 per cent per capita over the past decade compared to a 128 per cent per capita increase in other federal social service program areas. One evident conclusion is that a sector of Canadian society which has the greatest need is receiving a declining share of the national surplus.

An equally serious implication for Indian development is the fact that a growing and more dependent population tends to absorb an increasing percentage of available budgetary allocations for maintenance, health and other remedial services. The imperatives of categorical need are such that, in times when expenditures for Indians are being restricted, it is job creation and developmental programs which are treated as optional and are the first to be cut back. For example, in 1978-79 less than half of the parliamentary appropriations in the form of contributions for Department of Indian Affairs and Northern Development's Indian Economic Development Fund were actually

## [Traduction]

données fournies par le ministère des Affaires indiennes et du Nord canadien le montrent: en 1977-1978, les dépenses fédérales et provinciales combinées pour les Indiens inscrits s'élevaient à 1.2 milliard de dollars environ. Cela signifie \$4,200 par personne environ sur le plan national.

Au cours de la même année, les provinces se sont engagées à donner \$1 pour chaque \$2.60 dépensés par le gouvernement fédéral pour les Indiens. En termes de pourcentage, les Indiens dans les réserves ont fait l'objet de 91 p. 100 des dépenses fédérales et 46 p. 100 des dépenses provinciales. Si on exclut la portion administrative du budget fédéral, qui représente le coût des programmes offerts aux Indiens, les dépenses totales de service pour les Indiens comptaient pour 95 p. 100 du budget. Ces dépenses englobaient des services qui peuvent être classés, en grande partie, comme étant des réponses au chômage chronique, à une mauvaise santé, à l'éclatement des familles et à d'autres manifestations semblables de pauvreté.

Les dépenses provinciales reflètent en grande partie des priorités établies pour les dépenses fédérales. Dans le cas des provinces, la majorité des fonds étaient alloués au chapitre des soins de santé, des services de police, des établissements de correction et de divers autres services de surveillance. Étant donné que les Indiens qui ne vivent pas dans les réserves font l'objet depuis longtemps d'un conflit de compétence entre les autorités fédérales et provinciales, il y a peu de services spéciaux offerts aux migrants urbains, pour les aider à obtenir des emplois, un logement adéquat ou les compétences requises. Seulement 5 p. 100 des dépenses fédérales et provinciales peuvent être classées comme étant des dépenses de développement réel. Cela signifie que les collectivités indiennes connaissent une pénurie grave et chronique des capitaux nécessaires à leur développement, pour en arriver à une autosuffisance économique. C'est une vérité de La Palice, aucun développement n'est possible sans capitaux, et à moins de remédier à cette lacune, on ne peut échapper à la dépendance.

Les restrictions budgétaires des dernières années ont eu pour effet de réduire l'importance de la participation des Indiens à l'économie, au point qu'elle est maintenant inexistante. En réalité, le gouvernement fédéral a augmenté ses dépenses pour les Indiens de 14 p. 100 par personne au cours de la dernière décennie, comparativement à une augmentation de 128 p. 100 par personne dans d'autres programmes fédéraux de services sociaux. Une conclusion est évidente, c'est que ce secteur de la société canadienne, qui est dans le plus grand besoin, ne reçoit qu'une portion amoindrie du surplus national.

Il y a une autre répercussion sérieuse pour le développement des Indiens, c'est qu'une population dépendante grandissante tend à absorber un pourcentage plus important des allocations budgétaires disponibles pour l'entretien, la santé, et autres services de protection. Les impératifs du besoin catégorique sont tels qu'à un moment où les dépenses pour les Indiens sont limitées, ce sont des programmes de création d'emplois et de développement qui sont traités comme option et les premiers retirés. En 1978-1979, par exemple, moins de la moitié des crédits parlementaires sous forme de contributions au Fonds de développement économique indien, du ministère des Affai-

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spent for that purpose. The remainder was siphoned off to cover cost overruns in remedial and maintenance program areas.

Current federal policies, therefore, are essential paradoxical. The bulk of federal and provincial expenditures achieves little aside from containing Indian people in a state of poverty and dependency. Incremental annual increases tend to be absorbed by a dependent population whose maintenance needs remain unabated. The result is that in spite of increased government spending, Indian poverty increases.

This paradox is not amenable to any measures which seek simply to reallocate funds from maintenance, health or other services to economic development and job creation. There is no practical way to introduce instant self-sufficiency in Indian Society, or anywhere else for that matter. To address this problem seriously and effectively requires that current allocations for "survival-type" programs continue, and that an additional significant injection of capital be made available for economic development and job creation.

These are the dimensions and implications of the economic impasses which afflict our people and our communities. To put it simply, it is costing federal and provincial governments more than \$1 billion a year to administer band-aids in Indian society. A rapidly increasing Indian population is certain to result in a steep increase in these costs. Our own estimate is that the price of Indian dependency will be about \$2 billion in five years. This spending will do nothing within the framework of existing policies to generate dollars in Indian communities or to promote Indian participation in the economic life of this country.

Mere tinkering with the existing array of employment programs and economic development measures will not address the fundamental policy issues which we are posing. Aside from being grossly underfinanced in relation to our real needs, such programs, for the most part, are at cross-purposes with the values and aspirations of our people. Any program which is dedicated to the notion that our communities are something from which one must escape in order to succeed is totally out of step with our own concept of collective economic rights.

A change in direction requires a qualitative shift in federal policies and priorities. It is clearly in our mutual interests that such a change be made as quickly as possible. This shift must redefine the relationship of Canada to the Indian nations.

Our requirements for a new approach state that Indian development cannot occur unless four essential conditions are met. These are: that there is an enhancement of the existing Indian natural resource base; second, that there is a significant injection of capital with which to develop this resource base as well as secondary and tertiary economic sectors; third, that there is a comprehensive approach to human resource development including vocational training, management training and

*[Translation]*

res indiennes et du Nord canadiens, ont été dépensés à cette fin. Le reste a été retiré, pour financer les dépassements dans les programmes d'entretien et les services de protection.

Les politiques fédérales actuelles sont, par conséquent, essentiellement paradoxales. La majeure partie des dépenses fédérales et provinciales ont peu de résultat, si ce n'est de conserver les Indiens dans un état de pauvreté et de dépendance. Les augmentations annuelles accrues semblent être absorbées par une population dépendante, dont les besoins n'ont pas diminué. Il en résulte qu'en dépit de l'augmentation des dépenses gouvernementales, la pauvreté des Indiens augmente.

Ce paradoxe n'est pas sujet aux mesures qui cherchent simplement à réaffecter des fonds pour l'entretien, la santé ou les autres services relatifs au développement économique et à la création d'emploi. Il n'y pas vraiment de moyens pratiques permettant une autosuffisance instantanée dans la société indienne, ni ailleurs non plus. Pour étudier ce problème sérieusement et efficacement, il faudrait que les crédits actuels pour les programmes de type «survie» continuent et qu'on ajoute des capitaux additionnels importants pour le développement économique et la création d'emplois.

Ce sont là les dimensions et les répercussions des impasses économiques qui affligent nos gens et nos collectivités. Je dirai simplement que cela coûte aux gouvernements fédéral et provinciaux plus de 1 milliard par année pour colmater les brèches. L'augmentation rapide de la population indienne se traduira certainement par une augmentation accélérée de ces coûts. Nous prévoyons que le prix de la dépendance indienne sera d'environ 2 milliards de dollars dans cinq ans. Selon la structure des politiques actuelles, ces dépenses ne feront rien pour générer des dollars dans les collectivités indiennes ou pour promouvoir la participation indienne à la vie économique du pays.

Même si on joue un peu avec tout l'assortiment de programmes d'emploi et de développement économique qui existent, on ne va pas, de cette façon, régler les questions de politique fondamentale qui se posent. Non seulement nous sommes énormément sous-financés pour nos besoins réels, mais ces programmes vont en grande partie à l'encontre des valeurs et des aspirations de notre population. Tout programme qui reprend la notion que nos collectivités sont des endroits d'où on doit s'échapper pour réussir ne tient pas du tout compte de notre conception des droits économiques collectifs.

Il faudra un changement d'orientation réel dans les politiques et les priorités fédérales. Ce serait évidemment dans l'intérêt de tous qu'un tel changement se fasse aussi rapidement que possible. Ce changement doit redéfinir les relations entre le Canada et les nations indiennes.

Nous exigeons que cette nouvelle approche tienne compte du fait que le développement indien ne peut se faire à moins que quatre conditions essentielles ne soient respectées. Premièrement, il faut accroître les richesses naturelles mises à la disposition des Indiens; deuxièmement, il faut mettre à la disposition des Indiens des capitaux suffisants, pour mettre en valeur les richesses naturelles et créer des industries secondaires et tertiaires; troisièmement, il faut attaquer de front le



## [Texte]

the development of advisory and consulting services; and fourth, that control of development is shifted from top-heavy and unco-ordinated government departments to Indian institutions accountable to Indian governments.

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As to the natural resource base, the constitutional and legal status of Indian lands must be regarded as an asset, not a liability, in terms of the future development of Indian people. If this is done the potential exists to create an economic base for the Indian society on the following basis: first, enhancement of the Indian estate by changing current land settlement policies from an orientation towards the extinguishment of aboriginal title to its confirmation; second, recognition of Indian possessory rights to resources on the basis of aboriginal title even where the original agreements with the Crown appear ambiguous in this respect; third, allocation of land in settlement of unfulfilled claims on the basis that Indian society requires an adequate land resource base to be self-supporting; and fourth wealth resulting from the development of Indian lands and resources can itself serve as a major source of capital to promote the development of Indian communities.

Regarding capital requirements; the Department of Indian Affairs and Northern Development's Indian Economic Development Fund is currently the primary source of capital for the development of Indian reserves. However, this fund is woefully inadequate because of its undercapitalization, usurious interest rates and mismanagement. With respect to this last point, it is noteworthy that the Auditor General in his 1981 comments on the management of the IEDF, the Indian Economic Development Fund, has repeated in almost identical terms his criticisms of the same program in 1978. These same defects were identified in six previous departmental studies, but apparently without an adequate management response.

Other sources of development capital such as the CEIC job creation and training programs and DREE's general and special development agreements are available in the absence of any alternative but are restricted in their usefulness by inappropriate program criteria, inconsistent financial cycles, geographical exclusions and sudden program changes. Further, the benefits of these programs are minimized by unco-ordinated and ad hoc programs delivery. As the CEIC policy paper, *the Development of an Employment Policy for Indians, Inuit and Métis People*, points out:

Notwithstanding some impressive recent attempts at co-ordination, further work is required in order that there emerge a well co-ordinated federal intervention into the labour market on behalf of the native people. Inadequate co-ordination leads to large sums of money being spent on

## [Traduction]

problème de la formation, y compris la formation professionnelle, l'apprentissage de la gestion, l'élaboration de services consultatifs; quatrièmement, la maîtrise du développement doit passer des services gouvernementaux mal structurés et mal coordonnés aux institutions indiennes qui devraient rendre compte de leur gestion au gouvernement indien.

En ce qui concerne les ressources naturelles, le statut constitutionnel et juridique des terres indiennes doit constituer un avantage et non pas un inconvénient au plan du développement futur de la population indienne. Si tout cela est réalisé, il y aura moyen de jeter les bases du développement économique de la société indienne de la façon suivante: premièrement, il faut augmenter le patrimoine indien en modifiant la politique actuelle en matière de règlements territoriaux en confirmant et non pas en annulant les titres de propriétés autochtones; deuxièmement, il faut reconnaître les droits de propriété des Indiens à certaines richesses naturelles en vertu des titres de propriétés autochtones, même dans le cas où les accords conclus à la Couronne sont ambigus à cet égard. Troisièmement, il faut attribuer des terres en règlement des revendications en cours, la société indienne ayant absolument besoin de suffisamment de terres pour assurer son autonomie économique; quatrièmement, les richesses découlant de l'exploitation des terres et des ressources indiennes peuvent devenir une importante source de capitaux servant au développement des collectivités indiennes.

En ce qui concerne nos besoins en capitaux, le fonds de développement économique des Indiens du ministère des Affaires indiennes et du Nord canadien constitue à l'heure actuelle la principale source de capitaux pour le développement des richesses indiennes. Toutefois ce fonds est tout à fait insuffisant, n'étant pas suffisamment alimenté, étant mal géré et étant assorti d'un taux d'intérêt usuraire. A ce propos, le vérificateur général dans son rapport de 1981, reprend pratiquement mot pour mot les critiques qu'il avait adressées en ce qui concerne la gestion du fonds de développement économique des Indiens. Les mêmes défauts ont d'ailleurs été relevés dans six précédentes études effectuées par le ministère, mais ces enquêtes sont restées sans suite.

D'autres sources de capitaux servant au développement comme la création d'emploi et le Programme de formation de la CEC ainsi que les accords de développement généraux et spéciaux du MEER pourraient être utilisés à défaut d'autres possibilités; toutefois, leur utilité est réduite à cause de mauvais critères, de cycles financiers incohérents, d'exclusion géographique et de brusques modifications de programmes. De plus, les avantages de ces programmes sont contrecarrés par les mises en œuvre mal coordonnées et mal préparées. Ainsi que le document rédigé par la CEIC et intitulé *L'élaboration d'une politique d'emploi pour les Indiens, les Inuit et les Métis* le précise:

En dépit de louables efforts en vue de réaliser une meilleure coordination, il reste encore beaucoup à faire afin de réaliser une intervention fédérale mieux coordonnée vers le marché du travail au nom des peuples autochtones. D'importants crédits sont attribués à telle ou telle collecti-



*[Text]*

a particular community without ever being strong enough to achieve permanent results in any but a few places.

We are particularly interested in the concept of equalization payments and other transfer payments made under the authority of the federal-provincial fiscal arrangements and Established Programs Financing act. The concept of annual unconditional payments made to governments with a below-average capacity to finance the delivery of service to their citizens is inherently attractive to Indians for several reasons. The grants are unconditional payments to the governments which are, by definition, accountable to their citizens. Spending could therefore be prioritized by the Indians without taking into account regulatory agencies such as Treasury Board, the Department of Finance, the Auditor General and the Comptroller General. Overhead would be "indian overhead". The funds would be guaranteed and not subject to budget cutting and fiscal restraint exercises.

## • 1705

Currently, Indians are counted in the population statistics used to determine the equalization payment levels to the provinces, and also figure in the calculations used to determine Canada Assistance Plan transfer payments. Indians are, however, only the indirect and minimal beneficiaries of these transfer payments.

We believe the current legislation should be modified to designate Indian governments as well as the provinces as recipients of equalization grants.

A system of equalization payments to Indian governments would not replace all present sources of federal funding for the Indians. Besides equalization, the federal government provides funds within provinces through DREE, CEIC, FBDB, FCC and other agencies.

Due to the nature of the Indian development problem, we have suggested that an Indian development fund be established under Indian control to complement equalization payments and access to universally accessible programs.

A third source of capital for Indian development would be provided by an expanded system of tax incentives. The tax exemptions of Indians have been eroded over the years by the narrowest possible interpretation of Section 87 of the Indian Act.

A more enlightened taxing policy would be an important element in promoting the development of the Indian communities. For example, one, indirect federal taxes, especially on materials and items purchased on reserves or delivered to reserves should be removed. This would accelerate urgently needed housing, infrastructure, and other forms of development. The resulting benefits in improved health and increased

*[Translation]*

vité mais en raison d'une coordination insuffisante, les résultats permanents, à quelques exceptions près, sont rares.

Nous nous intéressons tout particulièrement au principe des paiements de péréquation et autres paiements de transfert effectués dans le cadre des arrangements fédéral-provinciaux et de la Loi sur le financement des programmes établis. Le principe de paiements annuels inconditionnels accordés aux gouvernements provinciaux moins favorisés sur le plan financier est un moyen d'assurer les services à la population, qui nous paraît à prime abord intéressant et ce, pour les raisons suivantes. Les subventions constituent des paiements inconditionnels accordés à des gouvernements qui par définition, doivent rendre compte à leurs citoyens. Les modalités de dépenses pourraient dès lors être arrêtées par les Indiens eux-mêmes sans tenir compte des règlements établis par le Conseil du Trésor, le ministère des Finances, l'auditeur général et le contrôleur général. Les frais généraux seront imputables à nous seul. Les fonds seraient garantis et non plus assujettis à des réductions budgétaires ou fiscales.

A l'heure actuelle, les statistiques de la population utilisées pour calculer le paiement de péréquation accordé aux différentes provinces ainsi que pour calculer le montant des paiements au régime d'assistance sociale du Canada tiennent compte du nombre d'Indiens. Or les Indiens touchent une part infime de ces paiements de transfert.

Nous estimons que la loi actuellement en vigueur devrait être modifiée de façon que les gouvernements indiens puissent au même titre que les provinces bénéficier des paiements de péréquation.

Le paiement de péréquation versé aux gouvernements indiens ne remplacerait pas toutefois tous les crédits fédéraux actuellement versés aux Indiens. En plus des paiements de péréquation, le gouvernement fédéral accorde différents crédits par l'entremise du MEER, de la CEIC, de la Société du crédit agricole, de la Banque fédérale de développement et d'autres agences.

Étant donné le caractère du développement indien, nous proposons que le Fonds de développement indien soit mis sous le contrôle des Indiens, ce qui viendrait s'ajouter aux paiements de péréquation ainsi qu'aux autres programmes ouverts à tous.

Une troisième source de capitaux destinés au développement indien proviendrait de nouveaux stimulants fiscaux. Les exemptions fiscales des Indiens ont été annulées au cours des années par une interprétation aussi étroite que possible de l'article 87 de la Loi sur les Indiens.

Une politique fiscale plus éclairée permettrait d'accélérer très sensiblement le développement des collectivités indiennes. Ainsi la taxe fédérale indirecte sur différents articles ou matériaux livrés aux réserves devrait être supprimée. Ceci permettrait d'accélérer la construction de logements, d'infrastructures et d'autres formes de développement. L'amélioration du niveau de santé et l'augmentation du nombre d'emplois feraient plus

## [Texte]

employment would more than offset any loss of tax revenues to the federal government.

Two; incorporated businesses owned and operated by Indians on reserves should be exempted from taxation to provide them with a firmer economic footing in circumstances where startup and operating costs are often higher than the average, and markets are smaller.

Three; property taxes on reserve lands should be exempted, regardless of who the lessee is. This provision would encourage both Indian and non-Indian companies to locate on Indian reserves to the economic benefit of the Indian people living there.

Four; taxes on salaries and wages earned by Indians off reserve should have the same exemption as incomes earned on reserves. At present, reserve development is seriously affected by taxing Indian employees whenever they do business or perform work off reserves.

Five; income from annuity payments, unemployment insurance benefits, old age pensions, Canada Pension Plan benefits, and some forms of scholarship are considered taxable because these originate from off-reserve sources. This tax should not apply in cash-poor Indian communities where such benefits often serve the needs of large, extended families.

An Indian development fund should also be created as a depository for funds specifically for economic development and job creation purposes. This fund could pool appropriations at present available for this purpose in various federal departments. These appropriations would need to be scaled upwards to meet the real development needs of Indian communities.

Appropriate Indian institutions and delivery systems should also be established to manage this fund and regulate the flow of capital, and provide technical services to the communities. We can point to several existing organizations which have a markedly successful track record such as the Indian Equity Foundation, Indian Oil Sands Economic Development Corporation, Manitoba Indian Agricultural program and the Western Indian Agriculture Corporation. However, these institutions are currently hampered by a shortage of capital, an unfavourable operating environment, and departmental raids on their budgets.

• 1710

Human resources development: Educational and training programs must be outlined to support community development, including traditional resource and cultural activities. We see the key to our human resource development in the implementation of our policy paper *Indian Control of Indian Education*. This was accepted in principle by the Honourable Jean Chrétien in 1973, who was at that time Minister of Indian Affairs. But this has never been implemented. There is indeed

## [Traduction]

que compenser la perte de recettes fiscales subies par le gouvernement fédéral.

Les entreprises appartenant aux Indiens et exploitées par eux dans les réserves devraient être exemptées d'impôt pour leur assurer un meilleur départ économique vu que les frais de démarrage dans les réserves sont supérieurs à ce qu'ils sont dans le reste du pays alors que les débouchés sont plus restreints.

Troisièmement, les terres des réserves devraient être exemptées de l'impôt foncier, quel qu'en soit le locataire. Pareilles dispositions encourageraient des sociétés tant indiennes que non indiennes à s'implanter dans les réserves indiennes, ce qui serait tout à l'avantage des Indiens des réserves.

Quatrièmement, les traitements et salaires des Indiens vivant en dehors des réserves devraient bénéficier des mêmes exemptions que les salaires gagnés dans les réserves. À l'heure actuelle, le développement économique des réserves est gravement freiné par le fait que tout travail effectué en dehors des réserves est lourdement taxé.

Cinquièmement, les recettes provenant des rentes, des prestations d'assurance-chômage, des pensions de vieillesse, des prestations du Régime de pensions du Canada ainsi que certaines bourses sont imposables, étant assimilées à un revenu gagné en dehors des réserves. Or ces montants ne devraient pas être imposés dans des collectivités indiennes pauvres et compte tenu du fait que ces différentes prestations sont souvent indispensables pour assurer la vie de familles nombreuses au-delà de la cellule familiale à proprement parler.

Un fonds de développement indien devrait être créé pour gérer les fonds destinés plus particulièrement au développement économique et à la création d'emplois. Ce fonds pourrait réunir les crédits actuellement affectés à ces fins par différents ministères. Ces crédits devraient d'ailleurs être majorés de façon à répondre aux besoins de développement réels des collectivités indiennes.

Des institutions indiennes devraient être mises sur pied pour gérer ce fonds, en décider l'utilisation et fournir les services techniques nécessaires aux collectivités. Plusieurs organisations telle la *Indian Equity Foundation*, la Société indienne de développement économique des sables pétrolifères, la *Manitoba Indian Agricultural Program* et la *Western Indian Agriculture Corporation* sont des exemples d'organisations ayant très bien réussi. Cependant, toutes ces institutions souffrent du manque de capitaux, d'un climat peu favorable et des ponctions sur leurs budgets opérées par le ministère.

Développement des ressources humaines: Les programmes d'enseignement et de formation doivent assurer le développement des collectivités indiennes, et doivent comprendre des activités et ressources culturelles traditionnelles. Le document intitulé *Contrôle indien d'éducation indienne* constitue la clé de voute du développement de nos ressources humaines. Ce document fut accepté en principe en 1973 par l'honorable Jean Chrétien, à l'époque ministre des Affaires indiennes. Malheu-



*[Text]*

no evidence of a clear commitment on the part of the government for Indian control of Indian education. Instead there is a suffocating preoccupation with administrative procedures and financial controls.

It is important to emphasize that the principles of Indian control cannot be construed merely as curriculum development or administration of local school budgets. The fundamental principle of control centres on determining the goals to be realized and the identification of corrective action if these objectives are not met. For Indian communities the education system must contribute the objective of self-government with the implied result of self-sufficiency. Indian education cannot be isolated from Indian government and the related components of Indian community life.

Control: The experience of both the United States and Canada shows that control over Indian capital and resources cannot be safely vested in a trustee who is a political appointee. The Minister of Indian Affairs and Northern Development has a conflict of interest inherent in his portfolio and in the inevitable trade-offs which are made between Indian interests and perceived political expediency.

Where there is no conflict of interest, incompetent management by DIAND endangers our natural resources and capital. The auditor general has reported, for example, that DIAND has destroyed all Indian band trust fund records for 1965-66 and that other records, in particular records for large transactions, are in practice inaccessible.

Further, interest paid on band funds which is based on the monthly average of market yields for Government of Canada bond issues—10.81 per cent for 1979-80—is less than that which could be earned for using the average rates offered by chartered banks for 90-day term deposits of \$100,000 or more or the 12.79 per cent for the same time period. Today, it is even higher.

We believe the time has come for Indian society to assume responsibility for its own destiny. Given a policy which deals with the fundamental issues of Indian lands, resources, taxing arrangements and capital needs, a transfer of responsibilities to Indians should include the following:

The issue of Indian government should be addressed to define and to begin establishing a sphere of powers and appropriate political institutions consistent with the special status accorded to Indian lands and Indian society by the constitution. This evolutionary step is essential to replace the present, undemocratic, system of bureaucratic, federal, rule and to enable the Indian society to become responsible and accountable for its own future development.

The concept of Indian government as used here is one which necessarily must have its basis in the constitution. It is our view that the revisions to the Indian Act or "local Indian government legislation" which merely transfers a number of

*[Translation]*

reusement, il ne fut jamais mis en application. En fait le gouvernement fédéral ne s'est pas engagé à céder aux Indiens le contrôle de leur propre éducation. Bien au contraire, nous sommes suffoqués par des procédures administratives et de contrôles financiers de tous ordres.

Il faut souligner à cet égard que le principe du contrôle indien ne se bornerait pas à l'élaboration des programmes d'études ou à l'administration des budgets scolaires locaux. Le contrôle porte au contraire sur la fixation des objectifs et le choix des mesures à prendre au cas où les objectifs fixés ne seraient pas réalisés. Pour les collectivités indiennes, l'enseignement doit les aider à réaliser l'autonomie politique et économique. On ne peut en effet séparer l'éducation indienne du pouvoir indien et des autres aspects connexes de la vie de la collectivité indienne.

Contrôle: L'expérience tant aux États-Unis qu'au Canada montre que le contrôle des capitaux et des richesses naturelles des Indiens ne peuvent pas être confiés à un administrateur nommé par les politiciens. Il existe un conflit d'intérêt de principe dans le porte-feuille du ministre des Affaires indiennes et du Nord canadien, compromis entre les intérêts des Indiens et les questions d'opportunisme politique étant inévitables.

Même en l'absence de conflits d'intérêt, les carences dans la gestion du ministère des Affaires indiennes et du Nord canadien constituent une menace à l'égard de nos richesses naturelles et de nos capitaux. D'après le vérificateur général, le ministère des Affaires indiennes aurait détruit tous les dossiers relatifs aux fonds des bandes pour l'année 1965-1966 tandis que d'autres dossiers, plus particulièrement ceux concernant d'importantes transactions, sont à toutes fins utiles inaccessibles.

Par ailleurs, les intérêts payés sur les fonds appartenant aux bandes, intérêts calculés sur la moyenne des recettes mensuelles des fonds du Canada s'élevaient à 10,81 p. 100 pour l'année 1979-1980, sont inférieurs au 12,79 p. 100 payé par les banques à charte sur des dépôts à termes de 90 jours pour des montants de \$100,000 ou plus. Actuellement, ce taux est encore bien plus élevé.

Nous estimons qu'il est grand temps que la société indienne prenne sa propre destinée en main. Toute politique portant sur les questions des terres, des ressources, des arrangements fiscaux et des besoins en capitaux des indiens et visant à assurer le transfert des responsabilités aux Indiens devrait tenir compte des aspects suivants:

La question du pouvoir indien devrait être définie et l'on devrait définir des pouvoirs et des institutions politiques appropriés compatibles avec le statut spécial accordé aux Indiens ainsi qu'à leurs terres par la constitution du Canada. Ces mesures devraient remplacer l'actuel système antidémocratique de gestion bureaucratique fédérale pour permettre à la société indienne de devenir pleinement responsable et de prendre elle-même en main son développement futur.

La notion du gouvernement indien doit être fondée dans la constitution. A notre avis, les modifications apportées à la Loi sur les Indiens ne font que transférer certaines fonctions du ministre à telle et telle bande sans pour autant jeter les bases



## [Texte]

additional functions from the minister to selected bands has nothing to do with establishing Indian government. An attempt by the Department of Indian Affairs to represent this as such is misleading because, (a) band councils would derive their powers from a law which can be changed at any time or even repealed. This keeps band councils essentially as creatures of a federal bureaucracy much as municipalities are creatures of the provinces; (b) A legislative basis for local authority ensures that bands remain vulnerable to termination policies which any future federal government may want to implement; (c) An emphasis on relationships between individual bands and the Department of Indian Affairs, rather than between an Indian collectivity and Canada, seems designed to fragment Indian society further.

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Such proposals require that the Department of Indian Affairs develop criteria of readiness to determine which bands should be endowed with greater local autonomy. We find this concept to be reprehensible and worthy of colonial regimes which existed in the last century.

In conclusion, we have attempted to explain how current federal policies and institutions are operating to reinforce Indian poverty and dependency rather than promoting self-sufficiency and self-determination. This course has taken an appalling toll in both human and financial terms. Neither we nor the federal government can continue to pay this price. We have suggested positive steps to the achievement of self-reliance within the framework of the special status accorded to us by the aboriginal rights and constitutional legal and treaty agreements. An Indian development fund and a new federal-Indian fiscal relationship based on the equalization grant concept are important elements in this strategy.

The Federation of Saskatchewan Indians has proposed that a special parliamentary task force should be established to examine the principles and concepts governing Canada-Indian fiscal relationships. We are in agreement that such a task force could play an important role in redefining relationships between Indians and the federal government. We ask your support in helping us realize our potential to contribute to the future of this country.

Thank you.

**The Chairman:** Thank you, Mr. Riley.

Mr. Thacker, do you have any questions?

**Mr. Thacker:** Yes, Mr. Chairman, I have a couple I would like to explore with Mr. Riley.

Within the context of your equalization proposal, as we have come to know equalization in Canada, it is an agreement really between two sovereign levels, namely, the federal government and the provinces, each with an exclusive legislative jurisdiction. I sense from your presentation today and the one yesterday from the Saskatchewan Federation of Indians that there really has evolved, at least in the minds of the Indian leadership within Canada, quite a different concept from what I think as ordinary citizens we would have felt even 10 years

## [Traduction]

d'un gouvernement indien. En tentant de représenter ceci comme tel, le ministère des Affaires indiennes peut être induit en erreur parce que (a) les conseils de bande pourraient tirer leurs pouvoirs d'une loi qui pourrait être changée en tout temps ou même annulée. Les conseils de bande deviendraient des instruments de la bureaucratie fédérale tout comme les municipalités sont les instruments des provinces; (b) une base législative pour une autorité locale assure que les bandes restent vulnérables aux politiques de cessation que le gouvernement fédéral pourrait mettre en œuvre (c) une emphase sur les relations entre les bandes individuelles et le ministère des Affaires indiennes et le Canada semble porter à la fragmentation de la société indienne.

Le ministère des Affaires indiennes serait obligé d'établir des critères pour savoir quelles bandes devraient se faire accorder davantage d'autonomie locale. Or, pareils procédés sont dignes des régimes coloniaux du siècle dernier.

En conclusion, nous avons donc expliqué comment le gouvernement fédéral et ses diverses institutions coopèrent pour aggraver la pauvreté et la dépendance des Indiens plutôt que de promouvoir leur autosuffisance et leur autodétermination. Le prix sur le plan humain et financier a été énorme. Pas plus les Indiens que le gouvernement fédéral ne peuvent continuer à payer ce prix. Nous avons suggéré différentes mesures positives pour réaliser notre autosuffisance dans le cadre du statut spécial accordé aux autochtones aux termes des différents accords conclus. Un fonds de développement indien ainsi que de nouveaux rapports fiscaux entre les Indiens et le gouvernement fédéral basés sur le principe des subventions des péréquations constituent un maillon essentiel de cette chaîne.

La Fédération des Indiens de la Saskatchewan a proposé qu'un groupe de travail parlementaire spécial soit mis sur pied pour étudier les principes des rapports fiscaux entre le gouvernement fédéral et les Indiens. Nous sommes convaincus qu'un tel groupe pourrait aider puissamment à rénover les liens existants entre les Indiens et le gouvernement fédéral. Nous vous demandons de nous aider à réaliser tout notre potentiel et de contribuer ainsi à l'avenir de notre pays.

Je vous remercie.

**Le président:** Merci, monsieur Riley.

Vous avez des questions, monsieur Thacker?

**M. Thacker:** Oui, j'ai deux questions à poser à M. Riley.

Les paiements de péréquation tels qu'ils sont effectués au Canada constituent un accord entre deux paliers de gouvernement souverains, à savoir le gouvernement fédéral et les provinces, chacun de ces deux paliers ayant des compétences juridiques exclusives. D'après ce que vous nous avez dit aujourd'hui et à la suite de l'intervention de la Fédération des Indiens de la Saskatchewan que nous avons entendue hier, il semblerait que les chefs de la communauté indienne du Canada se font une idée tout à fait différente du pays de celle

## [Text]

ago. I think then we all would have felt we are all Canadian. Indeed, many of the Indian people fought bravely in the war and died and were buried under the Canadian flag. Would you elaborate for me a bit more on the unique sovereignty or the self-determination the Indian people are at right now?

**Mr. Riley:** Yes. Indian people across Canada, and indeed, all over the world now—I just came from a recent conference in Australia called the World Council of Indigenous Peoples, where indigenous peoples from the Americas and from the South Seas areas met. The interest is intense and growing. But the feelings among all the peoples are the same. We are sovereign peoples. We have not given up our sovereignties. Immigrant populations which have come into our lands have overwhelmed us, and their sheer numbers have relegated us to a position which appears hopeless. But those feelings of sovereignty are not new; they are not unique. They have always been with us. And our elders still say this is one thing we did not give up: we did not give up our sovereignty. Indeed, the treaty documents consider sovereignty documents or constitutional documents, if you might want to consider them as such.

**Mr. Thacker:** I suppose—and I guess I am thinking only about Treaty No. 7, which is from the jurisdiction I am familiar with—if in fact those types of treaties—Nos. 6, 7, 4—were treaties between sovereign nations. Is it not true that the Indian Act is really *ultra vires* and would have no force of effect on the Indian community in Canada at all?

• 1720

**Mr. Riley:** Yes, there seems to be some confusion as to where this authority to almost totally control the lives of Indian people came from and the colonial suppression of Indian people which began probably about the 1830s. There was no longer any need for Indian people for military purposes, I think, after the War of 1812 with the Americans. However, Canada would not exist today without the fighting forces of the Indian people.

After the 1830s, there was no more need for Indians. So, successive policies of governments from that time on were, first of all, to try to make farmers out of them—to try to make them like everybody else; to try to destroy their values and impart the values of the current population onto them. But these policies never worked and gradually, as the government became more and more powerful, it assumed that kind of authority over Indian people which I do not think Indian people ever agreed to.

The present writing of the Indian Act is racist, it is very paternalistic. I think it is probably a blight on a democratic country like Canada.

As I have said in the constitutional committee hearings, if the Indian people had a chance to participate in the development of that act, our situation today would be so much different. I do not see any inconsistency with our sovereignty or we could not coexist with the rest of Canadian society.

## [Translation]

qui existait il y a 10 ans. A cette époque, nous nous considérons tous comme Canadiens. De nombreux Indiens se sont d'ailleurs battus vaillamment pendant la guerre et sont morts et ont été enterrés sous le drapeau canadien. Qu'est-ce que vous entendez au juste par l'autodétermination des Indiens?

**M. Riley:** Non seulement les Indiens du Canada mais les autochtones du monde entier, et je reviens tout juste d'une conférence organisée en Australie et connue sous le nom de Conseil mondial des peuples autochtones regroupant les autochtones des Amériques et des Mers du Sud, s'intéressent de plus en plus à cette notion d'autodétermination. Nous sommes tous des peuples souverains, car nous n'avons jamais abandonné notre souveraineté. Les peuples étrangers qui ont immigré dans nos pays et nous ont battus ne serait-ce que par leur nombre nous ont acculés à une situation qui peut paraître désespérée. Or, ces sentiments de souveraineté sont loin d'être nouveaux. Ils ont toujours été les nôtres. Nos chefs n'ont jamais cessé de nous répéter que jamais nous n'avons abandonné notre souveraineté. De fait, les différents traités passés avec nous doivent être assimilés à des documents constitutionnels reconnaissant notre souveraineté.

**M. Thacker:** Les traités nos 6 et 7 sont effectivement des traités conclus entre des nations souveraines. N'est-il pas vrai de dire que la Loi sur les Indiens est *ultra vires* et qu'elle n'a pas vraiment force de loi sur la communauté indienne du Canada?

**M. Riley:** Oui, on n'est pas très sûr d'où proviennent ces pouvoirs qui permettent de contrôler presque complètement la vie des Indiens, cette suppression colonialiste d'un peuple qui a commencé sans doute aux alentours de 1830. A cette époque, on n'avait plus besoin des Indiens à des fins militaires après la guerre de 1812 contre les États-Unis. Cependant, il ne faut pas oublier que le Canada n'existerait pas aujourd'hui si les Indiens ne l'avaient pas défendu.

Après 1830, on n'avait plus besoin des Indiens. C'est ainsi que différentes politiques des gouvernements de l'époque ont tout d'abord essayé d'en faire des agriculteurs, de les assimiler au reste de la population, de détruire leurs valeurs et de leur faire accepter les valeurs du reste de la population. Cependant, ces politiques n'ont jamais fonctionné et, graduellement, au fur et à mesure que le gouvernement devenait de plus en plus puissant, il a assumé ce pouvoir sur les Indiens que ceux-ci n'ont jamais accepté.

Dans sa rédaction actuelle, la Loi sur les Indiens est raciste et très paternaliste. C'est une tache à la réputation d'un pays démocratique comme le Canada.

Comme je l'ai dit aux séances du Comité de la constitution, si le peuple indien avait eu la possibilité de participer à l'élaboration de la loi, sa situation serait à l'heure actuelle bien différente. Je ne vois pas comment, si nous étions souverains, nous ne pourrions pas coexister avec le reste de la société canadienne.



[Texte]

**Mr. Thacker:** When you say "coexist," do you within your own mind see yourself as being Canadian as I would see myself as being Canadian by virtue of having been born here?

**Mr. Riley:** No, I do not. I see myself as an Indian. I think the Canadian government conferred citizenship on us only since—I believe it is 1956. It may have gone back to 1947, but it has only been since then. As a matter of fact, prior to 1951, we were not considered persons; indeed, we did not vote in your elections until 1960. Even now, there are not many Indian people who vote in elections because we do not have an effect anyway. We are not part of your political institutions although I think the 1960 attempt to bring us in was an attempt to try to include Indians with you.

**Mr. Thacker:** Within your proposal for an equalization payment from the federal government to this autonomous Indian community are you prepared, because of the sensitivities of the non-Indian community, to give up things like family allowance and old age security and things like that? It seems to me you cannot have it both ways in terms of the non-Indian community. Are you making a proposal for something like a lump sum payment?

**Mr. Riley:** Okay. If you are prepared to share the oil revenues with us—an equal share of the resources of Canada.

**Mr. Thacker:** Are you not in trouble at least with the Indian bands who have signed treaties which, in a sense, put them in a geographic area where there are mines and minerals? For example, the Peigan band in my reserve, and the Blood band, have the mines and minerals. The Blood band is on the threshold of enormous wealth as are a few Indian people at Hobbema in central Alberta. At Hobbema, profits alone were over \$100 million for just a very few Indian people, and there is no suggestion but that it is theirs.

**Mr. Riley:** That is not the case for the rest of Canada.

**Mr. Thacker:** Are you then distinguishing in that sense between the treaty Indians as compared to Indian communities around that land?

• 1725

**Mr. Riley:** There is a distinction between those areas that are covered by treaties and those areas that are not covered by treaties yet—there is still a distinction; and I think there probably will remain some confusion until the time comes when the governments and the Indian nations in those areas resolve the differences—treaties, to some degree. Except to the extent that the rights in the treaties have been eroded by the federal and provincial governments, I think they are a little more clear.

**Mr. Thacker:** Well then, just deal with me, if you will, with respect to, say, the Blood Band and the Peigan Band within Treaty No. 7; and they are on reserves, in a sense, and that is their land. Are you saying that they should give up family allowance and old age security in exchange for an equalization-type payment? Is that your proposal?

[Traduction]

**M. Thacker:** Lorsque vous dites «coexister», vous considérez-vous comme un Canadien, au même titre que je me considère comme canadien puisque je suis né ici?

**M. Riley:** Non, je me considère comme un Indien. Je crois que le gouvernement canadien ne nous a reconnu la citoyenneté canadienne qu'en 1956, si je ne me trompe. Peut-être 1947. En fait, avant 1951, nous n'étions pas considérés comme des personnes et nous n'avons pas eu le droit de vote à vos élections avant 1960. Même maintenant, il n'y a pas beaucoup d'Indiens qui participent aux élections parce qu'ils ne croient pas qu'ils aient une influence. Nous ne faisons pas partie de vos institutions politiques même si, en 1960, en nous donnant le droit de vote, vous avez voulu inclure les Indiens parmi les autres habitants.

**M. Thacker:** Dans le cadre de votre proposition de paiements de péréquation fédérale à cette communauté indienne autonome, êtes-vous prêts, pour tenir compte des objections de la communauté non indienne, à abandonner des avantages comme les allocations familiales, la sécurité de vieillesse, etc.? Il me semble que vous ne pouvez avoir les deux choses à la fois. Proposez-vous par exemple un versement global?

**M. Riley:** Bien. Si vous êtes prêts à partager les recettes pétrolières avec nous, si vous êtes prêts à partager de façon égale les ressources canadiennes.

**M. Thacker:** Est-ce que cela ne poserait pas des problèmes pour les bandes indiennes qui ont signé des traités et qui se situent dans des régions géographiques qui renferment des minerais et des mines? Je pense particulièrement à la bande des Peigans, dans ma réserve, et à la bande des gens du Sang. Cette dernière est au seuil d'une énorme prospérité, comme les Indiens de la bande Hobbema du centre de l'Alberta. Dans le cas de cette dernière bande, les bénéfices s'évaluent à plus de 100 millions de dollars pour un très faible nombre d'Indiens et il est certain que ces bénéfices sont à eux.

**M. Riley:** Ce n'est pas le cas pour le reste du Canada.

**M. Thacker:** Faites-vous alors une distinction entre les Indiens visés par un traité et les autres?

**M. Riley:** Il y a une distinction entre les Indiens visés par un traité et ceux qui ne le sont pas. Il existe toujours une distinction. Il y aura toujours une certaine confusion jusqu'à ce que les gouvernements et les nations indiennes de ces régions en arrivent à résoudre leur différence par traité dans une certaine mesure. Evidemment, même les Indiens qui sont visés par un traité ont vu leurs droits érodés par les gouvernements fédéral et provinciaux.

**M. Thacker:** Parlons plus particulièrement de la bande des Gens du Sang et de la bande des Peigans qui sont visés par le traité numéro 7. Ils habitent dans des réserves qui sont leur territoire. Dites-vous qu'ils devraient abandonner les allocations familiales et la sécurité de vieillesse en échange d'un paiement de péréquation? Est-ce cela que vous proposez?



*[Text]*

**Mr. Riley:** We are not proposing that, no; we are saying that we should have a share of these national resources. We are included in the numbers that the provinces use but we do not share in the benefits—or if we do, it is minimal.

**Mr. Thacker:** What is your proposal, then, with respect to the equalization?

**Mr. Riley:** We think these should be transferred to Indian governments, on the same basis.

**Mr. Thacker:** And would there be one Indian government for all of Canada?

**Mr. Riley:** There would be separate Indian governments.

**Mr. Thacker:** In each province or in each band?

**Mr. Riley:** Sure, in each band. Our basic unit of Indian government is at the band level.

**Mr. Thacker:** Then there would be a payment from the Canadian government to the Blood council and to the Peigan council?

**Mr. Riley:** Sure.

**Mr. Thacker:** And you are saying that that would be in the form of an equalization payment?

**Mr. Riley:** Sure—and it would be also to the 500 or so other bands across Canada.

**Mr. Thacker:** Would that be in lieu of family allowances and old age security?

**Mr. Riley:** I know what you are getting at. There are probably situations where a band like that is extremely wealthy, but that is the exception; it is not the rule here. We are looking at a situation where we have abject poverty among our people over the majority of Canada and it is designed to assist them. I am looking for ways that will help.

**Mr. Thacker:** I am sure that we all are, but I am trying to alert you to the fact that the nonIndian communities are becoming very sensitized to this, too, in the sense, I think, of their seeing the Indian leadership trying to make claims for sovereignty; and that may well be correct but you cannot have both sides: you cannot be taking the benefits from being “Canadian” and at the same time be sovereign in terms of total separate nationhood, as we see the United States being a separate nation. That is the issue that you have to resolve for us so that we can go back to the nonIndian community . . .

**Mr. Riley:** I see no inconsistency in it whatsoever. As a matter of fact, I would question this government's right to sovereignty here. We probably have got a better right to sovereignty than even the present government here.

I believe we can exist together; we have to—and we have.

**Mr. Thacker:** Thank you, Mr. Chairman.

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** When you question this government's right to sovereignty, I think WestFed did today in a mailing to me. So maybe you are right, I do not know—I do not know.

*[Translation]*

**M. Riley:** Non, pas du tout, nous disons que nous devrions avoir une part de ces ressources nationales. Nous ne partageons pas les bénéfices des provinces, en tout cas pas suffisamment.

**M. Thacker:** Quelle est votre proposition alors en ce qui concerne la péréquation?

**M. Riley:** Nous croyons que ces droits devraient être transférés aux gouvernements indiens de la même façon.

**M. Thacker:** Et y aurait-il un seul gouvernement indien pour tout le Canada?

**M. Riley:** Il y aurait des gouvernements indiens séparés.

**M. Thacker:** Dans chaque province ou pour chaque bande?

**M. Riley:** Pour chaque bande. Notre unité de base d'un gouvernement indien est au niveau de la bande.

**M. Thacker:** Alors, le gouvernement canadien effectuerait des paiements au conseil des Gens du Sang et au conseil des Peigans?

**M. Riley:** Évidemment.

**M. Thacker:** Et vous dites que cela se ferait sous forme de paiements de péréquation?

**M. Riley:** Oui, et pour les 500 bandes du Canada environ.

**M. Thacker:** Est-ce que cela remplacerait les chèques d'allocations familiales ou la sécurité de la vieillesse?

**M. Riley:** Je vois où vous voulez en venir. Il y a sans doute des situations où une bande est extrêmement riche, comme celle dont vous parlez, mais c'est quand même l'exception. Nous pensons aux situations de pauvreté extrême, ce qui est quand même la situation de la majorité de nos Indiens, et nous voulons les aider. Nous cherchons une façon de les aider.

**M. Thacker:** Je suis sûr que c'est ce que nous voulons tous, mais j'essaie simplement d'attirer votre attention sur le fait que les communautés qui ne sont pas indiennes sont très sensibles à cette question quand elles voient que les Indiens présentent des demandes de souveraineté. Vous ne pouvez avoir le meilleur des deux mondes. Vous ne pouvez pas retirer les avantages du fait que vous soyez des «Canadiens» et en même temps être souverains, comme le sont les habitants des États-Unis par rapport au Canada, par exemple. C'est la question que vous devez résoudre afin que nous puissions expliquer aux communautés qui ne sont pas indiennes dans notre pays . . .

**M. Riley:** Je ne vois pas d'incompatibilité. En fait, je crois qu'il faudrait mettre en question le droit souverain du gouvernement du Canada chez nous.

Je crois que nous pouvons exister ensemble, nous devons . . . nous l'avons prouvé.

**M. Thacker:** Merci, monsieur le président.

**Le président:** Monsieur Blenkarn.

**M. Blenkarn:** Lorsque vous mettez en doute le droit du gouvernement actuel à la souveraineté, je pense à cette lettre que j'ai reçue de WestFed aujourd'hui. Vous avez peut-être raison, je n'en sais rien.

[Texte]

**The Chairman:** Who did?

**Mr. Blenkarn:** WestFed—they sent us a mailing; maybe you got it. WestFed is an organization of western separatists.

So perhaps that is the case.

**The Chairman:** I think we have more claim than they have.

**Mr. Blenkarn:** You probably have.

**Mr. Riley:** Or ourselves.

**Mr. Blenkarn:** Or what, eh?

There are a number of questions you have raised. I find it horrendous that we wind up spending \$4,200 per capita by governments on Indians and wind up with the poverty and the problems you have spoken of, Mr. Riley. I think there is a lot to be said for disposing of a government that directs you and civil servants who decide how money should be spent, and a great deal to be said for perhaps some sort of a direct payment to individuals of at least a good part of that, so that individuals—if you took a family of four they would be reasonably well off in Canada if you had that kind of money. They could pay their own way and have no problems—and indeed, even with considerably less than that, perhaps. What would your thought on that be?

• 1730

**Mr. Riley:** As the paper states, a lot of these payments are in the social welfare area. For instance, I do not know how many millions go into welfare, but tremendous amounts do, as well as into the administration of it.

We are interested in development, but again, as the paper sets out, we do not expect that it is going to happen overnight. We are looking for positive movement; something that is going to begin this process of turning this all around. That is what we are looking for; so that this situation will not be compounded, it will slow down. As we develop, as Indian people begin to achieve levels comparable to the Canadian people, then these damaging or these social . . .

**Mr. Blenkarn:** Well, a horrible sense of dependency is what is the problem. At one time, you say, most of your people were working, were self-supporting, were living without a great deal of financial assistance—back in the thirties or prior to the thirties. We now have a situation in less than a decade of having gone from 36 per cent dependency to 70 per cent dependency perhaps more. Something is radically wrong, is it not?

**Mr. Riley:** Sure. But again, we do not expect the government is going to do it for us again. We want to take control of this. We want to do it ourselves.

**Mr. Blenkarn:** Well, presumably you had control of it back prior to the thirties, because people were self employed. People were able to keep their heads up and have a job and be responsible for their families and so on. It has been, in fact, government that has caused the problem, with massive alleged assistance, social workers and so on and so on and so on. Is

[Traduction]

**Le président:** De qui?

**M. Blenkarn:** WestFed nous a envoyé une lettre; vous en avez peut-être reçu un exemplaire aussi. WestFed est une organisation de séparatistes de l'Ouest.

C'est peut-être ce qui se passe.

**Le président:** Je crois que nos droits sont bien mieux fondés que les leurs.

**M. Blenkarn:** Sans doute.

**M. Riley:** Ou que les nôtres.

**M. Blenkarn:** Ou qui?

Vous avez soulevé un nombre de questions. Il est incroyable de penser que nous finissons par dépenser \$4,200 par habitant par gouvernement pour les Indiens et que le résultat est la pauvreté et les problèmes dont M. Riley a parlé. On comprend que l'on veuille se débarrasser d'un gouvernement qui vous contrôle complètement et dont les fonctionnaires décident comment votre argent doit être dépensé; on comprend que des paiements directs à certaines personnes ou à de nombreuses personnes conviendraient sans doute mieux. En effet, une famille de quatre enfants pourrait bien s'en sortir avec ce genre d'argent et peut-être même avec beaucoup moins. Qu'en pensez-vous?

**M. Riley:** Comme vous le voyez dans notre mémoire, beaucoup de paiements interviennent dans le domaine du bien-être social. Je ne sais pas combien de millions de dollars sont consacrés au bien-être et à l'administration de ce programme, mais je sais qu'il s'agit de sommes très importantes.

Nous voulons que la situation évolue, mais nous savons que les choses ne se font pas du jour au lendemain. Nous voulons un mouvement positif, qui nous permettra de prendre un autre tournant dans la vie. C'est cela que nous voulons, nous ne voulons pas ralentir les choses. Au fur et à mesure que nous nous développons, au fur et à mesure que nous atteignons des niveaux de vie comparables à ceux de la population canadienne, alors ces problèmes sociaux . . .

**M. Blenkarn:** Je crois que le problème terrible est le problème de l'indépendance. A une certaine époque, la plupart des Indiens travaillaient, pouvaient subvenir à leurs besoins et vivre sans beaucoup d'aide financière. Je crois qu'il s'agit des années 30 où avant cette période. A l'heure actuelle, en moins de dix ans, la dépendance est passé de 36 à 70 p. 100 et peut-être davantage. Il y a quelque chose qui ne va vraiment pas, n'est-ce pas?

**M. Riley:** Évidemment. Cependant, nous voulons avoir nous-mêmes notre mot à dire dans cette situation; nous voulons prendre le contrôle.

**M. Blenkarn:** Je suppose que vous aviez le contrôle avant les années 30 si vos gens pouvaient se débrouiller, avoir un travail et être responsable de leurs familles. En fait, c'est le gouvernement qui a causé le problème en donnant cette prétendue aide financière, avec ces travailleurs sociaux, etc. Est-ce là la façon dont vous voyez les choses? Est-ce que vous croyez qu'une



[Text]

that the way you see it—that a lot of the problem you have now is as a result of massive government on top of you?

**Mr. Riley:** Yes, massive spending . . .

**Mr. Blenkarn:** Welfare spending, for example.

**Mr. Riley:** Welfare spending, yes; and we do not like this, or we like it less than anyone else.

**Mr. Blenkarn:** Welfare spending that in fact takes away the incentive for a fellow to get on his own and do something because the cheque keeps coming.

**Mr. Riley:** Exactly; exactly. We want to do something about this; and what we are proposing is ways that will begin this process of doing something about it.

**Mr. Blenkarn:** The Beaver Report was a report, I think, commissioned partly by you and partly by DIAND. I think at one point your group disowned it. Could you go into that report and the reasons for that and whether you see in that report anything in the way of a possible solution?

**Mr. Irvin Goodleaf (Director, National Indian Brotherhood):** The reason why that was disbanded is we lost control. Mr. Beaver was, first of all, put under government employ. He was an Indian person. Secondly, to answer your question, in trying to work along with his report, we concur; we have used various portions of the report and have come up with the concept that approximately 95 per cent of the money is used for nondevelopmental purposes. We see that as the evil of having a big bureaucracy, and of having somebody else look after your affairs.

**Mr. Blenkarn:** If I recall his report, he suggested there were certain bands which could very easily take over all their affairs, but he had some concern about other bands which perhaps were not at a point where they could take over their affairs. You are indicating on page 21 that you would leave all bands equal on this. How would that work? Are there not some bands where it would be very, very difficult for them to handle affairs on their own?

• 1735

**Mr. Goodleaf:** Currently within the so-called evolving Indian administration we have what is called the tribal council, and these are prevalent in your province, Mr. Thacker. Where the bands are too small to carry on an administration, they join forces with five or six and are able to carry on the administration. But the controls are still at the Indian level, as opposed to being in the bureaucracy. We talk about it on the basis of band for band, but in some circumstances there will be Indian institutions created that would take care of the problems you are insinuating . . .

**Mr. Blenkarn:** Do you not have a certain problem between various Indian bands that are, in effect, different nations? In other words, there is no real consistency across Canada, and there are certainly different treaties and different bands and different groupings that were not, at any time, necessarily cohesive or necessarily had the same objects. You have that in Ontario, with two or three councils of bands, and so on.

[Translation]

grande partie de vos problèmes proviennent de l'intervention massive du gouvernement fédéral?

**M. Riley:** De dépenses massives.

**M. Blenkarn:** En matière de bien-être, par exemple.

**M. Riley:** Oui. Et nous n'aimons pas cette situation, nous l'aimons en tout cas moins que quiconque.

**M. Blenkarn:** Toutes ces allocations de bien-être enlèvent l'initiative étant donné que l'argent ne manque jamais.

**M. Riley:** Précisément. Nous voulons trouver une solution et ce que nous proposons aura cet effet.

**M. Blenkarn:** Le rapport Beaver avait été commandé à la fois par vous-mêmes et par le ministère des Affaires indiennes et du Nord. Je crois qu'à un certain moment votre groupe a désavoué ce rapport. Pourriez-vous nous en parler? Trouvez-vous dans ce rapport une certaine solution?

**M. Irvin Goodleaf (directeur de la Fraternité des Indiens du Canada):** En fait, nous avons perdu le contrôle. M. Beaver, qui était indien, a été mis à la solde du gouvernement. Deuxièmement, pour répondre à votre question, nous avons utilisé différentes parties de ce rapport et nous croyons qu'environ 95 p. 100 de l'argent est utilisé à des fins autres que le développement. C'est là le problème d'une grande bureaucratie et du fait que l'on a quelqu'un d'autre qui s'occupe de nos affaires.

**M. Blenkarn:** Si je me souviens bien de ce rapport, M. Beaver a dit que certaines bandes pourraient très bien assumer l'administration de leurs propres affaires mais que d'autres n'étaient pas encore arrivées à un tel point de développement. À la page 21, vous dites que vous aimeriez voir toutes les bandes sur le même pied à cet égard. Comment les choses fonctionneront-elles? Est-ce que cette façon de procéder ne serait pas extrêmement difficile pour certaines bandes? Pourraient-elles fonctionner toutes seules?

**M. Goodleaf:** À l'heure actuelle, notre administration prétendument en évolution prévoit un conseil de tribus, ce qui existe d'ailleurs dans votre province, monsieur Thacker. Quand les bandes sont trop petites pour assumer leur propre administration, elles se joignent à cinq ou six autres. Cependant les contrôles relèvent toujours des Indiens et non de la bureaucratie. Nous parlons toujours de solutionner nos problèmes administratifs au niveau de la bande elle-même mais dans certaines circonstances, il y aura des institutions indiennes qui seront créées et qui résoudront les problèmes dont vous semblez parler.

**M. Blenkarn:** N'existe-t-il pas un problème du fait que les différentes bandes indiennes représentent différentes nations, du fait qu'il n'y a pas d'uniformité entre celles-ci? Il y a différents traités, différentes bandes et différents groupes sans pour autant que la cohésion soit grande ou que les objectifs soient les mêmes. Cette situation se retrouve par exemple en Ontario, pour deux ou trois conseils de bandes.



[Texte]

**Mr. Riley:** I know what you are talking about, but the problems among Indian people are basic and general and I would say that they are the same. The thinking may be slightly different in different Indian ideologies but the basics are the same. For instance, being an Indian from Ontario, I could fit into an Indian community any place in the west. I would fit right in because I would understand them. The problems are essentially the same. There would be regional differences, especially in the economic area.

**Mr. Blenkarn:** Very much.

**Mr. Riley:** Sometimes you could not apply the same set of rules, maybe, in the mountains as you would in the forested area . . .

**Mr. Blenkarn:** Of course there are regional differences within Ontario itself.

**Mr. Riley:** . . . but our people are essentially the same.

**Mr. Blenkarn:** Oh, yes, but in terms of attitudes, for example, the Six Nations reserve at Brantford has a fairly high degree of integration amongst itself. The relatively prosperous people work off the reserve and they come back and live on the reserve, in some cases they go to school off the reserve and in some cases they do not, and really they are relatively well off as a group. Would you put it that way? Would that be fair? Whereas people, for example, in northern Ontario are in a much, much worse position.

**Mr. Riley:** Yes. I know that there are reports of that reserve's having superior economic conditions to others. It is probably true, I agree. I lived there for five years, I grew up with the Mohawks, as a matter of fact, I went to the residential school for five years. However, it is not really that good, it is not as good as I think it has been put across to the public. They have certain advantages in that they live near an urban centre, and they also live near the U.S., where a lot of them are able to migrate during the week and come back on the weekends. I went through the same experience myself. The racial situation in the U.S. was directed towards the blacks and not Indians, so you are accepted over there but you are not in Canada. So that is the kind of situation I experienced as well. I lived on a reserve that was also not too far from the border, I only moved off to find a job. I found the work climate in the U.S. more conducive to this, because as I mentioned, the racial situation was directed more towards the blacks and I was accepted—but not in Canada.

**Mr. Goodleaf:** Could I put a further rider to your question?

**Mr. Blenkarn:** Yes.

• 1740

**Mr. Goodleaf:** I think one of the basic objectives of having federal-provincial fiscal relations and the Established Programs Financing Act is to deliver basic services to all Canadians within Canada and at the same time to look after economic and regional development. I think we have stated quite succinctly our problem in Canada, as Indian people. Your question seems to state that 573 Indian bands would not be capable of sitting around a table and negotiating an agreement

[Traduction]

**M. Riley:** Je sais ce dont vous parlez, mais les problèmes sont les mêmes pour tous les Indiens. La façon de penser est peut-être un peu différente selon les groupes et les idéologies, mais en fait pas tellement. Je suis un Indien de l'Ontario et je pourrais très bien m'intégrer dans une communauté indienne de l'Ouest. Je la comprendrais très bien, les problèmes étant essentiellement les mêmes. Il y aurait une différence régionale évidemment, spécialement dans le domaine économique.

**M. Blenkarn:** Certainement.

**M. Riley:** Parfois, on ne pourrait adopter les mêmes règles dans les montagnes que dans les régions boisées . . .

**M. Blenkarn:** Évidemment, il y a des différences régionales en Ontario même.

**M. Riley:** Mais notre peuple est essentiellement le même.

**M. Blenkarn:** Oui, mais pour ce qui est du comportement, la réserve des Six Nations, à Brantford, est très bien intégrée. Les Indiens assez prospères travaillent à l'extérieur de la réserve et y reviennent pour y habiter. Dans certains cas, ils vont à l'école à l'extérieur de la réserve et dans d'autres cas non, mais en général il s'agit d'un groupe assez prospère, n'est-ce pas? Par contre, dans le nord de l'Ontario, la situation est nettement moins bonne.

**M. Riley:** Oui. D'après certains rapports, la situation économique de cette réserve est nettement supérieure à celle d'autres réserves. C'est sans doute vrai, je suis d'accord. J'y ai vécu pendant cinq ans; j'ai grandi parmi les Agniers (Mohawks) et je suis allé à leur pensionnat. Cependant la situation n'est pas aussi bonne qu'on veut bien la décrire. Les Indiens de cette réserve ont certains avantages; ils habitent près d'un centre urbain, ils vivent près des États-Unis, où la plupart d'entre eux travaillent la semaine pour revenir dans la réserve en fin de semaine. J'ai fait la même expérience. La situation raciale aux États-Unis vise les Noirs et non les Indiens. Nous sommes acceptés dans ce pays, mais nous ne le sommes pas au Canada. J'ai vécu moi-même dans une réserve qui n'était pas très loin de la frontière et je me suis déplacé pour trouver du travail. Aux États-Unis, le climat était bien meilleur qu'au Canada et le problème racial ne visait que les Noirs. De ce fait, j'étais accepté dans ce pays alors que je ne le suis pas au Canada.

**M. Goodleaf:** Pourrais-je ajouter autre chose à votre question?

**M. Blenkarn:** Oui.

**M. Goodleaf:** A mon avis, un objectif fondamental des accords fiscaux entre les provinces et le fédéral est la Loi sur le financement des programmes établis et aussi le fait qu'il faut assurer un certain niveau de services pour tous les Canadiens. Il s'agit aussi d'encourager l'expansion économique et régionale. Je crois que nous avons décrit de façon concise notre problème au Canada comme peuple indien. Vous semblez laisser entendre que les 573 bandes indiennes ne seraient pas

## [Text]

with the federal government or with the provincial governments—hopefully, here, with the federal government, as a minimum. I would counter that argument by saying that the differences between Indian bands in the east and the west are not much more than the differences between provinces—you have B.C. and the little islands of P.E.I. and Newfoundland. I am saying that we can get along. We can create our own institutions. One institution, which we are starting with, is Indian government.

**Mr. Thacker:** That is more than we can do as provinces. Tell me, does the Ontario Indian community run the Canadian institution the way Ontario runs the non-Indian nation?

**Mr. Blenkarn:** Saskatchewan runs it. May I go on to a couple of other matters? We found out yesterday that provinces are presently getting EPF funding based on the total population of the province, yet there is some question, with respect to the delivery of health care, whether the province in fact pays the health care when an Indian person is in hospital off the reserve or whether the Department of Health and Welfare or DIAND pays it. We are presently having that followed up. I wanted to tell you that that was a result of the Saskatchewan people's position yesterday.

I wanted to get into the question of taxation, in the few minutes that are available. That commences on page 14 of your brief. One of the concerns expressed was that corporations that were on the reserve were paying, presumably, corporate tax. It was my understanding that you could incorporate a corporation on the reserve and you would not be subject to corporate tax—where the profits are earned on a reserve, of course.

**Mr. Riley:** That is not the present situation.

**Mr. Blenkarn:** You are sure of that now, are you?

**Mr. Riley:** Yes.

**Mr. Blenkarn:** Could we get that checked, Mr. Dobell, the extent to which Indian corporations on reserves are tax free? They should be. My understanding was that they were.

**Mr. Riley:** There is no such thing, sir. A corporation is not considered an Indian. Bill, could you elaborate on that?

**Mr. Bill Badcock (Legal Counsel, National Indian Brotherhood):** As Mr. Blenkarn knows, under the law there are two types of bodies, legally, there is the individual and the fictional body, or the corporation that is set up under the law for the purposes of suing and being sued and carrying on business as though it were an individual in front of the court.

However, Indian corporations, although they become a body in the law for the purposes of running their business, are not considered Indians under the Indian Act. So as soon as Indians form a corporation, though it becomes an Indian corporation it is still a corporation the same as any other corporation in Canada, and it moves out of the Indian Act and it moves out of the benefits that Indians as individuals can claim when they are on a reserve. It is our understanding that corporations on a

## [Translation]

capables de se mettre autour d'une table et de négocier un accord avec le gouvernement fédéral ou les gouvernements provinciaux. Ma réplique à votre argument serait de vous rappeler que les différences entre les bandes indiennes de l'Ouest et de l'Est ne sont guère plus importantes que celles qui divisent la Colombie-Britannique et les petites îles de l'Est comme l'Île-du-Prince-Édouard et Terre-Neuve. Nous arrivons à nous mettre d'accord. Nous pouvons créer nos propres institutions. Nous commençons à former l'institution qu'est le gouvernement indien.

**M. Thacker:** Vous réussissez quelque chose dont les provinces ne sont pas capables. A propos, les Indiens de l'Ontario dirigent-ils l'institution canadienne de la même façon que la province de l'Ontario fait marcher le gouvernement du Canada?

**M. Blenkarn:** C'est la Saskatchewan qui dirige. Puis-je passer à d'autres questions? Nous avons appris hier que le financement est actuellement accordé aux provinces en fonction de la population totale de la province, mais on ne sait pas au juste si c'est la province qui paie les soins médicaux reçus par un Indien dans un hôpital à l'extérieur d'une réserve ou si c'est le ministère de la Santé ou celui des Affaires indiennes. Nous avons demandé que la question soit élucidée, à la suite des observations faites hier par les représentants de la Saskatchewan.

Dans les quelques minutes qui me restent, je voudrais aborder une question d'impôt. Vous en parlez à la page 14 de votre mémoire. Vous vous inquiétez du fait que les entreprises constituées en sociétés sur les réserves sont apparemment obligées de payer la taxe sur les corporations. Si j'ai bien compris, ces sociétés ne seraient pas assujetties à ces taxes pourvu que les bénéfices soient gagnés sur la réserve, bien entendu.

**M. Riley:** Tel n'est pas le cas actuellement.

**M. Blenkarn:** En êtes-vous sûr?

**M. Riley:** Oui.

**M. Blenkarn:** Monsieur Dobell, voulez-vous vérifier jusqu'à quel point les entreprises indiennes sur les réserves sont exemptées d'impôt? Elles devraient l'être, et je crois que c'était la pratique jusqu'à maintenant.

**M. Riley:** Il n'existe pas de sociétés qui soient considérées comme indiennes. Bil, voulez-vous nous l'expliquer?

**M. Bill Badcock (conseiller juridique, Fraternité nationale des Indiens):** Comme M. Blenkarn le sait, la Loi prévoit deux sortes de personnes, la personne physique et la personne morale, c'est-à-dire la société qui est constituée pour des raisons juridiques, pouvant ester en justice et faire l'objet de poursuites judiciaires et aussi faire des affaires.

Même si les sociétés indiennes sont constituées légalement afin de pouvoir faire des affaires, elles ne sont pas considérées comme indiennes dans le sens de la Loi sur les Indiens. Quand une corporation est formée par des Indiens, son statut est le même que n'importe quelle autre corporation au Canada et elle ne relève pas de la Loi sur les Indiens. N'y sont pas applicables les avantages dont jouissent les Indiens individuellement quand ils vivent dans la réserve. D'après nos renseigne-



[Texte]

reserve are taxed exactly the same as corporations off the reserve. They are taxed exactly the same as any corporation in Canada.

**Mr. Blenkarn:** Have you tested that at all?

**Mr. Badcock:** It will be tested indirectly when we take the Nowegijick tax case to court, because that happens to tie in indirectly with the Gull Bay Development Corporation, which is an Indian corporation. I say it will be tested indirectly, because the question there is not whether the Gull Bay Development Corporation is an Indian per se, but whether Mr. Nowegijick, who earned his money from the Gull Bay Corporation, which is on the reserve, did then get all his money from the reserve rather than from working outside. But I expect that that will probably come up in court, whether the Gull Bay Corporation is an Indian—or what is it when it is on the reserve? At the moment, the opinion of the Justice department is that a corporation is not an Indian.

**Mr. Blenkarn:** With respect to materials brought on to the reserve, is it not true that you can buy that free from sales tax, and so on?

• 1745

**Mr. Badcock:** Free from provincial sales tax but federal sales tax is added on to the goods prior to them being sold by the merchant in the province. As a consequence . . .

**Mr. Blenkarn:** So unless you buy it from the manufacturer, you are stuck.

**Mr. Badcock:** There would be a question about that, too. I do not know if it has been tested whether an Indian can buy from the manufacturer and get the 12 per cent sales tax exempted before it ever comes to the reserve. The fact is, Indians buy from suppliers. Suppliers have already paid that 12 per cent tax and they pass it on, so the indirect taxation is still put on to the Indians. The direct taxation from the province is exempt, in most cases, on the reserve, but that is not the case in all provinces.

**Mr. Blenkarn:** How do you mean it is not in all provinces?

**Mr. Badcock:** All provinces do not recognize that Indians are exempt from taxation. Ontario recognizes that within the retail sales act itself, and the regulations. They also have a directive out on it, directive number 480 of the retail sales tax department. Manitoba recognizes it; Saskatchewan recognizes it; Alberta does not recognize any exemption.

**Mr. Blenkarn:** Alberta has no sales tax though, so you do not have to worry about it.

**Mr. Badcock:** Exactly.

British Columbia however did not, except recently the Brown case out there on electricity delivered to the reserve where the B.C. Supreme Court has said that Indians are exempt from paying provincial sales tax on those electrical services delivered to the reserve. But the fact that it had to go to court indicates that the provinces are not four-square behind allowing Indians exemptions from sales tax on things delivered on the reserve.

[Traduction]

ments, les entreprises constituées en sociétés dans la réserve sont assujetties aux mêmes impôts et taxes que toutes les autres corporations canadiennes.

**M. Blenkarn:** Avez-vous contesté?

**M. Badcock:** Ce sera fait indirectement lors de l'examen par le tribunal de l'affaire fiscale Nowegijick, qui est liée à la Gull Bay Development Corporation, une société indienne. Je dis que ce sera fait indirectement parce qu'il ne s'agit pas de savoir si la Gull Bay Development Corporation est une société indienne, mais de déterminer si M. Nowegijick, qui a gagné son argent de cette corporation, installée dans la réserve, avait gagné son revenu dans la réserve ou à l'extérieur. Mais je suppose que le tribunal devra se prononcer sur le statut de la Gull Bay Development Corporation. Pour l'instant, le ministère de la Justice estime qu'une société ne peut être assimilée à un Indien.

**M. Blenkarn:** Mais vous n'êtes pas obligé de payer la taxe sur la vente, etc. sur des produits qui seront utilisés dans la réserve, n'est-ce pas?

**M. Badcock:** Il n'y a pas de taxe de vente provinciale, mais la taxe de vente fédérale est ajoutée avant que les marchandises ne soient vendues aux détaillants dans la province. Par conséquent . . .

**M. Blenkarn:** A moins d'acheter directement du fabricant, vous devez payer la taxe.

**M. Badcock:** Ce n'est pas certain. Je ne sais pas si un Indien peut acheter des marchandises au fabricant sans payer la taxe de vente de 12 p. 100. En fait, les Indiens achètent aux fournisseurs. Les fournisseurs ont déjà payé la taxe de vente de 12 p. 100 et elle est incluse dans le prix. Les Indiens doivent donc payer la taxe, mais de façon indirecte. Les Indiens qui habitent les réserves ne doivent pas normalement payer la taxe de vente provinciale, mais cela ne s'applique pas dans toutes les provinces.

**M. Blenkarn:** Que voulez-vous dire?

**M. Badcock:** Ce n'est pas toutes les provinces qui reconnaissent que les Indiens ne doivent pas payer la taxe. L'Ontario le reconnaît dans la loi sur la taxe de vente, dans le règlement et dans la directive 480 du service de la taxe de vente au détail. Le Manitoba reconnaît l'exemption, la Saskatchewan aussi, mais pas l'Alberta.

**M. Blenkarn:** C'est qu'il n'y a pas de taxe de vente en Alberta.

**M. Badcock:** Exactement.

La Colombie-Britannique ne reconnaissait pas l'exemption avant que la Cour suprême de cette province ne décide récemment, dans la cause Brown, que les Indiens ne doivent pas payer la taxe de vente provinciale lorsqu'il s'agit d'électricité utilisée dans une réserve. Le fait qu'on a dû aller devant le tribunal démontre que ce n'est pas toutes les provinces qui reconnaissent que les Indiens ne doivent pas payer de taxe de vente sur des marchandises livrées à la réserve.



*[Text]*

There is no exemption in the eastern provinces either. Newfoundland has no exemption whatsoever. They insist, of course, that there are no Indians there, so that is okay. Nova Scotia and New Brunswick both have policy decisions whereby they say that if an Indian will fill out a certificate they will then be allowed exemption from tax if the products are delivered on the reserve, but that is not in the retail sales act of either province. Nor is it in Saskatchewan's retail sales act, it is a policy decision of the government.

**Mr. Blenkarn:** That is much the same as for farmers who have to apply for retail sales tax exemptions to buy farm equipment.

**Mr. Badcock:** That is right. Interestingly enough, Saskatchewan has probably been the best of all the provinces as far as exemption goes. They even have a tendency to ask Indians when they come into a store if they are a status Indian, and if so they will exempt you from paying sales tax, and yet it is only a policy decision of the Saskatchewan government, it is not in their sales tax act.

**Mr. Blenkarn:** You have been asking for a number of economic benefits and, obviously, economic benefits must be paid for. Do you see any flaw at all in your reasoning, or something, with respect to taxation? Obviously, economic benefits must be paid for in some fashion. When you purchase things, or are involved in earning money, why should taxes not be paid by those who earn or purchase, or whatever, to help pay for the benefits?

**Mr. Badcock:** Whenever we speak of these kind of things that we ask for under Indian government, we seem to talk of it on one side and not the other side. When we asked that Indians be exempt from taxation, it is because Indians feel that for, say, income taxes earned on a reserve they have a right to that exemption through treaties or whatever. Also, if Indians had their own jurisdiction, and Mr. Thacker was asking about a third order of government—Indian government, whatever it might be, whether it is reserve or nation—if Indians had a third order of government they then would have jurisdictional powers equivalent to the federal government and the provincial governments. Indians then, within their nations or whatever that institution is, would have the right to tax their own people.

**Mr. Blenkarn:** Do you not agree that you have the right as independent sovereign people to tax your own people?

**Mr. Badcock:** Yes, we feel we have that right. The government tells us we do not have the right to refuse to participate in provincial taxes and set up our own tax system within our own area. It is not part of the BNA Act; it is not one of the jurisdictional areas that is covered for Indians.

**Mr. Blenkarn:** The question is, if you follow Mr. Thacker's questions, if you have taken that position, that in treaty area certainly you are a totally independent, separate, sovereign people then presumably it follows that the BNA Act does not apply to you . . .

**Mr. Badcock:** That is right.

*[Translation]*

Les provinces Maritimes ne reconnaissent pas non plus l'exemption. A Terre-Neuve, il n'y a pas d'exemption du tout. Les provinces prétendent qu'il n'y a pas d'Indiens là-bas et qu'il n'y a donc pas de problème. La Nouvelle-Écosse et le Nouveau-Brunswick ont décidé qu'un Indien ne doit pas payer la taxe s'il demande un certificat et si les marchandises sont livrées dans la réserve, mais cela ne se retrouve pas dans la Loi sur la taxe de vente. En Saskatchewan, c'est la même chose: l'exemption ne découle pas de la Loi sur la taxe de vente, mais d'une politique du gouvernement.

**M. Blenkarn:** Les agriculteurs qui ne veulent pas payer la taxe de vente sur l'équipement agricole sont dans la même situation.

**M. Badcock:** C'est exact. Pour ce qu'il y a d'appliquer l'exemption, la Saskatchewan l'emporte sur les autres provinces. Dans les magasins, on a tendance à demander aux Indiens s'ils sont des Indiens de plein droit. Si oui, ils ne doivent pas payer la taxe de vente, même s'il ne s'agit pas d'une politique du gouvernement de la Saskatchewan, et non pas d'une disposition de la Loi sur la taxe de vente.

**M. Blenkarn:** Vous avez réclamé un certain nombre d'avantages économiques. Évidemment, il va falloir les payer. Êtes-vous convaincu que vous avez raison qu'il y a de l'imposition? Ces bénéfices, il va falloir les payer. Pourquoi ne devriez-vous pas payer de taxe lorsque vous achetez des marchandises ou touchez un salaire, pour qu'on puisse payer ces bénéfices?

**M. Badcock:** Chaque fois que nous parlons de mesures que nous pourrions réclamer s'il y avait un gouvernement indien, on ne semble pas pouvoir voir les deux côtés de la médaille. On demande que les Indiens ne paient pas d'impôt sur les revenus gagnés dans une réserve, ce qui est prévu dans les traités. Si les Indiens avaient leur propre gouvernement, s'il y avait un troisième palier de gouvernement, comme M. Thacker l'a proposé, que ce soit au niveau de la réserve ou au niveau de la nation, ce gouvernement aurait des pouvoirs qui correspondent à ceux du gouvernement fédéral et des gouvernements provinciaux. Les Indiens auraient donc le droit de faire payer des impôts à leur peuple.

**M. Blenkarn:** Ne croyez-vous pas avoir le droit, en tant que peuple souverain, de demander à votre peuple de payer des impôts?

**M. Badcock:** Oui. Le gouvernement prétend que nous n'avons pas le droit de refuser de payer la taxe de vente provinciale et créer notre propre régime fiscal. On n'en parle pas dans les dispositions de l'AANB qui touchent les Indiens.

**M. Blenkarn:** Si vous acceptez ce que M. Thacker a dit, vous êtes un peuple entièrement autonome et souverain pour tout ce qui relève des traités. On peut donc conclure que les dispositions de l'AANB ne s'appliquent pas à vous.

**M. Badcock:** C'est exact.

*[Texte]*

**Mr. Blenkarn:** . . . that the Indian Act does not apply, and that you are sovereign to the point of 100 per cent sovereignty and presumably able to levy your own taxes and police your own properties.

• 1750

**Mr. Badcock:** That, however, would be a separatist attitude and I do not think in any of our conferences or any time when we have appeared before these committees that we have ever talked of a separatist attitude. In fact, we have spoken in terms of unity with Canada.

We do not see our position as being very much different from the position that the provinces have vis-à-vis the federal government now. A person can be essentially a citizen of Alberta and still a citizen of Canada. A person can be a citizen of the sovereign state of Texas and still be a citizen of the United States of America.

When a person lives in a province, he has certain obligations and incurs certain benefits; but a person in the next province may not. An example is the retail sales Acts in each of the provinces, which are not applied equally to the people across Canada. If you are lucky enough to live in Alberta, you do not pay sales tax; if you live in Quebec, you pay a higher sales tax than we pay here; if you live in Manitoba, you pay a variable sales tax depending on the product.

Each of those people is a citizen of Canada and each of them pays federal income tax, but they also live in a province that has the right to tax its people within its borders. If they want to set up some kind of program for their people, such as an OHIP program or whatever, they say to the people: "This program is being set up. We are now going to tax you to get the money for that program." We do not have that opportunity. If we have problems with health care, we have to depend on the federal government paying for it, or argue with the provinces in the case where an Indian comes off the reserve and goes to a provincial hospital. In no cases do the reserves have the opportunity to say to their people: "Let us all get together and build our own hospital right here, and we will do it by taxing each other."

One of the reasons that they could not do it anyway is that there is no money to tax because of lack of economic development. They do not have any industry on the reserve and, if they do not have it on the reserve, they do not have any money on the reserve to tax. Economically, it is a truism that you have to be able to retain at least 20 cents out of your dollar to make a viable community: that is just basic economics. Yet Indian communities do not retain any money at all. They are lucky to retain five cents on the dollar, and that is mostly welfare dollars that come in. The cheque comes in, the Indian has to go off the reserve to cash the cheque, he has to go to a non-Indian community to buy the groceries to take back to the reserve. By the time that Indian is finished, he has nothing to do but wait for the welfare cheque next month to go back out and support the outside community. That outside community is the community that is imposing the sales tax on that Indian when he comes off the reserve.

*[Traduction]*

**M. Blenkarn:** On peut aussi conclure que la Loi sur les Indiens ne s'applique pas non plus et que vous êtes un peuple entièrement souverain qui a le droit de percevoir des impôts et de protéger ses terres.

**M. Badcock:** Ce serait-là un comportement de séparatiste et nous n'avons jamais parlé de nous séparer. Nous avons toujours insisté sur l'unité.

Notre position n'est pas très différente de celle des provinces vis-à-vis le gouvernement fédéral. On peut être, à la fois, citoyen de l'Alberta et citoyen du Canada. On peut être, en même temps, citoyen de l'État souverain du Texas et citoyen des États-Unis d'Amérique.

Les citoyens d'une province ont certaines responsabilités et reçoivent certains bénéfices; mais ces responsabilités et ces bénéfices varient d'une province à l'autre. La taxe de vente au détail, par exemple, varie d'une province à l'autre. Si vous avez la chance d'habiter en Alberta, vous ne payez pas de taxe de vente. Au Québec, la taxe de vente est plus élevée qu'en Ontario; au Manitoba, la taxe varie selon le produit.

Tous les Canadiens qui paient l'impôt fédéral sur le revenu habitent aussi dans une province qui a le droit de percevoir des impôts. Le gouvernement provincial veut créer un programme, comme le régime d'assurance-maladie, et doit percevoir des impôts pour pouvoir le payer. Nous ne pouvons pas faire cela. Nous avons des problèmes avec les soins médicaux, nous devons nous adresser au gouvernement fédéral ou nous disputer avec les provinces pour savoir si l'Indien doit être traité dans la réserve ou dans l'hôpital provincial. Les Indiens ne peuvent pas décider de construire leur propre hôpital et de percevoir des impôts pour le payer.

L'un des problèmes, c'est qu'il n'y a pas de revenus, parce qu'il n'y a pas de développement économique. S'il n'y a pas d'industrie dans nos réserves, il n'y a pas de revenus à imposer. Pour qu'une ville soit rentable, il faut épargner 20c. sur chaque dollar. C'est là l'un des principes de base de l'économie. Or, les villages indiens n'épargnent rien du tout. Ils ont de la chance, s'ils reçoivent des prestations de bien-être, de pouvoir épargner 5c. sur chaque dollar. Le chèque arrive, l'Indien part de la réserve pour l'encaisser, il fait ses achats dans un magasin de blanc et il les ramène à la réserve. Lorsqu'il rentre, il ne reste qu'à attendre l'arrivée du prochain chèque pour aller le dépenser à l'extérieur de la réserve. Or, à l'extérieur de la réserve, il doit payer la taxe de vente.

*[Text]*

These are the problems. They are all tied up together. You cannot just take one segment and say: "What would happen now if you gave up your welfare funds?" Of course, it would be horrendous. But the idea is to give up welfare funds, eventually, because you have a self-sustaining community.

**Mr. Blenkarn:** Well, I think we have a horrendous problem and we are not going to solve it this afternoon. I thank you very much.

**The Chairman:** I thank you very much, gentlemen, for your presentation. As you have certainly realized—and I think you admit this in a sense—a lot of the questions that are raised by your presentation are really beyond our mandate. But that does not stop us from reflecting on it and passing on to government authorities and Parliament what your views are because you are talking about financing mechanisms and where they stand. It is related to our mandate because our mandate deals with fiscal financial mechanisms. So, with respect to your brief and the brief we received yesterday from the Saskatchewan Federation of Indians and others that I think we are going to meet in our travels, we will reflect on these collectively and we will pass onto the proper government authorities the views that have come before us. Thank you very much.

The meeting is adjourned to 9.30 tomorrow morning in Room 269.

*[Translation]*

Voilà les problèmes. Ils sont tous reliés. On ne peut pas se contenter de demander ce qui arriverait s'il n'y avait pas les prestations de bien-être. Évidemment, ce serait affreux. Lorsqu'on sera devenu autonome, on pourra renoncer aux prestations de bien-être.

**M. Blenkarn:** C'est un problème extrêmement grave, et nous n'allons pas le régler cet après-midi.

**Le président:** Je vous remercie, messieurs, de votre témoignage. Vous savez sans doute qu'un bon nombre de questions que vous avez soulevées dépassent notre ordre de renvoi, mais nous pouvons toujours y réfléchir et transmettre vos opinions aux fonctionnaires et au Parlement. Vous avez parlé de mécanismes de financement, ce qui fait partie de notre mandat. Pour ce qui est de votre mémoire, du mémoire que nous avons reçu hier de la Fédération des Indiens de la Saskatchewan, et des autres témoignages que nous allons sans doute entendre, nous y réfléchirons tous ensemble et nous transmettrons vos opinions aux fonctionnaires responsables. Merci beaucoup.

La séance est levée jusqu'à 9 h 30 demain matin, salle 269.



APPENDIX "FISC-29"

SUBMISSION  
TO  
**Parliamentary Task Force  
on the  
Federal/Provincial Fiscal Arrangements**



**CANADIAN HOSPITAL ASSOCIATION**

April 1981

# CANADIAN HOSPITAL ASSOCIATION ASSOCIATION DES HÔPITAUX DU CANADA



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P. Pleau, Québec, Qué.  
Major H. P. Thornhill, St. John's, Nfld.

410 Laurier Avenue West, Ottawa, Ontario K1R 7T6 (613) 238-8005

May 1981.

Mr. Herb Breau, Chairman,  
Parliamentary Task Force,  
Federal/Provincial Fiscal Arrangements,  
House of Commons,  
Ottawa, Canada  
K1A 0A6

Dear Mr. Breau:

The Canadian Hospital Association have reviewed the mandate of your Task Force on Federal/Provincial Fiscal Arrangements and is pleased to submit the following brief for your consideration.

In a statement tabled by the Prime Minister of Canada, the Right Honourable Pierre Elliott Trudeau, on the occasion of the Conference of Federal and Provincial First Ministers, held at Ottawa, June 14/15, 1976, entitled Foundation Financing: A Proposal Regarding the Major Shared-Cost Programs in the Fields of Health and Post-Secondary Education, the following five principles which the government believes should apply to these programs were presented as follow:

- (1) There should be provision for continuing federal participation with the provinces in the consideration and development of policies of national significance in the fields of health and post-secondary education;
- (2) The federal government should continue to pay a substantial share of program costs;
- (3) Federal payments should be calculated independently of provincial program expenditures;
- (4) There should be greater equality in per capita terms among the provinces with regard to the amount of federal funds they receive under the programs;
- (5) The arrangements for these major programs should be placed on a more permanent footing.

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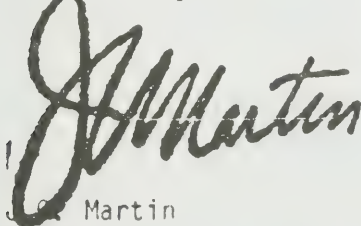
Sections 13 to 23 of the government document give detailed explanation of these principles and also describe how the government intends to implement these principles.

The Canadian Hospital Association has great concern that through the present renegotiation of the Federal/Provincial Fiscal Arrangements, the stability of the great National/Provincial Health Insurance Program serving all the Canadians throughout the country might be put in jeopardy.

The Canadian Hospital Association's brief reflects some of the major national concerns of all the hospital/health associations and through them of the health care institutions on the complex and extremely critical issue of the funding of the national health programs. Officers from the Association will be pleased to formally present this brief at your hearing of May 13th, 1981 of your Task Force.

If additional information is required, please contact C.H.A. at 238-8005.

Respectfully submitted,

A large, stylized handwritten signature in dark ink, appearing to read "J. R. Martin". The signature is written in a cursive, flowing style with a large initial "J".

J. R. Martin  
President



## Foreword

The Canadian Hospital Association is a federation of its active members:

- \* British Columbia Health Association
- \* Alberta Hospital Association
- \* Manitoba Health Organizations Inc.
- \* Saskatchewan Health-Care Association
- \* Ontario Hospital Association
- \* Association des hôpitaux du Québec
- \* New Brunswick Hospital Association
- \* Nova Scotia Association of Health Organizations
- \* Newfoundland Hospital Association
- \* Hospital Association of Prince Edward Island
- \* Northwest Territories Hospital Association
- \* Catholic Health Association of Canada
- \* Canadian Medical Association
- \* American Hospital Association

The Association's objectives are:

- a) to assist its members in the promotion of a humane, efficient and integrated health care delivery system of the highest possible standard by sponsoring or cooperating in such activities or programs to achieve this;
- b) to represent the opinions of its members to those who could be influenced by the knowledge of that opinion.

In 1928, the Canadian Medical Association established a Department of Hospital Service. In 1931, this department became the Canadian Hospital Council, and later in 1953 the name was changed to the Canadian Hospital Association. The head office of the Canadian Hospital Association was located in Toronto until 1977 when it moved to Ottawa.

The affairs of the Association are managed by a Board of 20 Directors who serve a two-year term. You will find on page 11 the names of the Directors. The officers are the Chairman, Chairman-Elect, Immediate Past Chairman and President. The President, who is appointed by the Board, has the general and active management of the business of the Association, subject to the direction of the Board. Each provincial hospital/health association is entitled to one member on the Board and the remaining four members represent a national health region (Atlantic, Quebec, Ontario and Western). An annual Assembly is held to conduct the business of the Association. The business of the Association is conducted in the two official languages.

The Association undertakes three main activities:

- 1) representation to federal government, to other national health associations, to other international health associations and governments;
  - 2) national programs in education, publications and research;
  - 3) joint programs with other national Associations, such as the Canadian Council on Hospital Accreditation, the Canadian Standards Association, the Canadian Nurses Association and others.
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## **Grouping of Recommendations by Interest**

### **Finance**

#### **1. Recommendation**

IT IS RECOMMENDED that all meetings related to the E.P.F. renegotiation be open to the public, including interested associations and the media.

#### **2. Recommendation**

IT IS RECOMMENDED that the federal and provincial governments grant observer status to C.H.A. at all meetings related to the E.P.F. renegotiation.

#### **3. Recommendation**

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#### **4. Recommendation**

IT IS RECOMMENDED that the federal and provincial Ministers of Health be full participants in the renegotiation as the future of the National/Health Insurance Program will be shaped by the decisions taken.

#### **5. Recommendation**

IT IS RECOMMENDED that the renewal negotiations of the fiscal arrangements between the federal and provincial governments take into account the health care needs to meet pre-determined national health care standards in each and every part of Canada.

#### **12. Recommendation**

IT IS RECOMMENDED that the federal government along with provincial governments undertake all the necessary actions required to protect the National/Provincial Health Insurance Program from further erosion.

## **16. Recommendation**

IT IS RECOMMENDED that recent studies on user charges be brought to the attention of all those concerned with formulating health policy.

## **17. Recommendation**

IT IS RECOMMENDED that consideration be given to the special commitments made by teaching hospitals; these additional functions of teaching and research be delineated and recognized by provincial governments; appropriate provision be made for funding of both direct and indirect costs; future funding mechanisms ensure adequate provision of clinical teachers necessary to provide the essential geographic commitment to tertiary patient care and teaching programs; the special funding program for capital assistance, to medical schools and their affiliated teaching hospitals, be re-established.

## **19. Recommendation**

IT IS RECOMMENDED that governments recognize the importance of health research by vastly increasing the level of research support through their existing granting agencies and by allocating new funds to the support of different types of investigation such as health policy analysis, and the establishment of more appropriate health standards. Health research funding must be established with medium and long range commitments (perhaps 5 to 10 years) to remove the funding uncertainties detrimental to effective health research.

## **21. Recommendation**

IT IS RECOMMENDED that adequate funds be made available to support the research necessary to develop appropriate standards of health and methods to measure these standards and, the funding for this research should be separate from the Medical Research Council and the National Health Research and Development Program by virtue of its goals and required methodology.

## **22. Recommendation**

IT IS RECOMMENDED that governments assist health care institutions in informing the public of the real cost of health care in relation to rising costs in other sectors of the economy.

## **23. Recommendation**

IT IS RECOMMENDED that in order to protect the National/Provincial Health Insurance Program presently in operation, funding by the federal government be maintained at least at its present level and that the actual funding formula described in the Established Programs Financing Act, 1977 be maintained for another period of 5 years.

## **Health**

### **6. Recommendation**

IT IS RECOMMENDED that there be a long range study on skilled manpower requirements in the Canadian health industry by representatives from national and provincial health associations and government manpower authorities to be funded by governments.

### **7. Recommendation**

IT IS RECOMMENDED that the long term care needs of Canadians be determined and alternatives to acute care services being used for long term care be considered for the aging population.

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IT IS RECOMMENDED that no direct user fees be implemented where there is any possibility that the imposition of such charges would unduly limit access to necessary health services.

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IT IS RECOMMENDED that the condition of reasonable accessibility be clearly defined and corrective action be applied to the forces which could hinder accessibility of health services.

### **10. Recommendation**

IT IS RECOMMENDED that the condition of portability be defined more clearly to the public; a simplified system for handling claims between provinces be developed such as a clearinghouse; the public be made completely aware of the



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range of benefits in other provinces covered by their own province's insurance plan and the limits (if any) on reimbursements for insured services; and a national toll-free telephone system be developed to answer queries from injured or ill members of the travelling public.

**11. Recommendation**

IT IS RECOMMENDED that the federal government monitor the effects of provincial health programs without involvement in the structure and content of these programs.

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IT IS RECOMMENDED that the role of the local boards of trustees be made explicit to governments and to the public by properly mandated organizations.

**14. Recommendation**

IT IS RECOMMENDED that standards for health be defined at the national level by properly mandated organizations; alternative methods of meeting those standards remain at the provincial and local levels; the recommendation put forward by the Royal Commission on Health Services - 1964 for comprehensive services be updated to recognize the need for innovative modes of delivery.

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IT IS RECOMMENDED that governments formulate broader health policy, which include policies for health promotion and disease prevention.

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IT IS RECOMMENDED that budgetary allotments be made to support the continuing education for all health care providers by properly mandated organizations.

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IT IS RECOMMENDED that government reaffirm their commitment to the principles of local autonomous boards, comprehensiveness, individual responsibility, education, research and remuneration of health professionals as contained in the "Health Charter for Canadians" and promote a basic level of health care as a common goal for each provincial health system.

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#### **Federal/Provincial Fiscal Arrangements**

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## Introduction

The Canadian Hospital Association welcomes this opportunity to comment to the Parliamentary Task Force on the renegotiation of the funding mechanisms and formulas in the Established Programs Financing (E.P.F.) Act, 1977.

One of the "established programs" in the 1977 Financing Act was the Hospital Insurance and Diagnostic Services Act, (1957) which represents a fundamental public policy decision to provide hospital services through a national insurance scheme. While the insurance for hospitals services is provincially administered, the basic criteria were federally established.

The renegotiation of the E.P.F. Act offers an exciting opportunity to strengthen and improve institutional health services so that public expectations for a healthy life can more effectively be met. Regrettably, this outcome appears unlikely unless there are major changes to the renegotiation process.

This brief will not review the background of health insurance in Canada. Many articles describing the different phases of this process may be found in Perspectives on Canadian Health and Social Services Policy: History and Emerging Trends, edited by C.A. Meilicke and J.L. Storch and published by the Health Administration Press, Ann Arbor, Michigan, 1980. Another work The Canadian Health System by Lee Sodestrom, published by Croom Helm London, 1978, also gives a good panoramic view of the situation in the health care field.

Many of the points which follow were included in our brief to Health Services Review 1979. They may not all seem pertinent to the subject of fiscal arrangements, but we are apprehensive that any cut back in financing to the provinces may result in the cutting of programs complimentary to the health system, programs crucial to maintaining the high level of care we presently enjoy in Canada.

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## Section I

### Federal/Provincial Fiscal Arrangements

(Current Renegotiation Process)

Regretfully, the Canadian Hospital Association notes that the current renegotiation of the E.P.F. Act, 1977, has the following characteristics:

1. Although a substantial portion of the funds under E.P.F. are used by provincial governments to finance health institutions, the C.H.A. is not involved in the negotiations between the federal and provincial governments. Nor is any other body properly mandated by health institutions involved. This can only mean that the negotiations are taking place without the considerable expertise of the trustees and administrators who have the responsibility of managing health institutions in their communities. Decisions taken without the input of health institutions are unlikely to be sufficiently informed about their full impact.
2. Public needs for health services are being completely overshadowed by economic and political struggles between the two levels of government. Economic equilibrium, taxing powers, prestige and constitutional issues receive far more attention from those involved than the health of Canadians.

In his opening address to the Task Force, the Hon. Mr. MacEachen linked the renegotiation to "the federal/provincial political balance". Based on reports, he did not refer to the institutions and organizations in health care which could be very seriously affected by these renegotiations.

3. In general, the document being used in the renegotiation of E.P.F. and the supporting financial and statistical data are not made public. This makes it difficult for associations such as C.H.A. to gain access to the data in order to determine its reliability and validity and its relationship to other information sources.

Health institutions in Canada in 1979-80 received 6.6 billions dollars from the federal government through the provincial governments. In the budget speech on October 28, 1980, the federal Minister of Finance announced that "Savings are expected to include reductions in federal transfers to provinces related to area coming under provincial jurisdictions". It is within this context, that the Canadian Hospital Association, as the representative of health institutions across Canada, must present recommendations to the Parliamentary Task Force.

The Canadian public has placed a high value on health care and has looked to government to put into place funding mechanisms which will provide an effective and efficient health delivery system. Health is a fundamental human service which must not be overlooked in the current renegotiations.



To ensure that the E.P.F. renegotiations do give full consideration to the impact of policy choices on the health of Canadians, the following recommendations are put forward:

### **1. Recommendation**

IT IS RECOMMENDED that all meetings related to the E.P.F. renegotiation be open to the public, including interested associations and the media.

### **2. Recommendation**

IT IS RECOMMENDED that the federal and provincial governments grant observer status to C.H.A. at all meetings related to the E.P.F. renegotiation.

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## **Section II**

### **Provincial Hospital/Health Associations Views on the Fiscal Situation in Health**

**(Briefs presented to provincial authorities)**

In this section, we intend to review briefly the views that were presented by provincial hospital/health associations to their provincial authorities on the subject of funding or the fiscal situation of health care institutions in their provinces. Copies of their briefs are included in the exhibits to this report.

Our submission also re-affirms that under the British North American Act, health care is primarily the jurisdiction of the provinces. The general view of the provincial associations is that, regardless of the sources of funding, adequate financial resources should be made available to operate at an acceptable level of efficiency and effectiveness a health care system serving the needs of all the Canadians.

Approaches or methods to attain this ultimate goal might be different in some provinces, but it must be remembered that the role of governments is to financially support the achievement of pre-determined health standards, and of health care institutions to help achieve these standards.

#### **5. Recommendation**

IT IS RECOMMENDED that the renewal negotiations of the fiscal arrangements between the federal and provincial governments take into account the health care needs to meet pre-determined national health care standards in each and every part of Canada.

#### **A. Newfoundland Hospital Association**

Fiscal relations between the Newfoundland government and the board-operated health care institutions in that province were the subject of a study undertaken by the Association and concluded in June 1980.

The report addresses topics such as:

- Relationship between government and health care institutions;
- Fiscal relationship and funding of operating and capital costs;
- Program budgeting of services;
- Appeal mechanism;
- Global budgeting.

The report reviews the situation in the hospital field in order to propose a new kind of partnership between government and hospitals which will be of benefit to both, and ultimately to the people of Newfoundland.

## **B. New Brunswick Hospital Association**

In a brief presented to their Minister in October 1979, following government directives on budget restrictions, the N.B.H.A. described the situation in their member institutions and the impact and results that the restrictions would have on hospitals.

In the conclusion of their brief, N.B.H.A. makes the following important comment:

"Restraint in spending is a commendable policy to follow, but this Association believes that priorities have to be reconsidered so that health care needs are met."

## **C. Association des hôpitaux du Québec**

The Association des hôpitaux du Québec, in an extremely well documented brief (April 1981), presented the financial situation of their health care institutions members to the Ministry of Social Affairs. Ministry policies and regulations were reviewed, institutions performance (financial and administrative) in the last six years were analyzed, evaluation of fiscal needs were done, conclusions and recommendations were formulated and put forward.

Health care institutions of Québec, having achieved reductions of the order of \$125 millions since 1976-77, having realized that additional savings are going to be more and more difficult if the actual level of health care services has to be maintained, now face a series of extremely crucial decisions which could be formulated as follow:

- Who will finance the institutions' accumulated deficits of \$158 millions;
- Who will finance the budgeted 1981-82 \$140 millions required to maintain the actual level of health care services;
- Who will finance the urgently needed renovations or maintenance required by certain aging health care facilities;
- Who will tell the patients and the public if certain health care services have to be curtailed.

The Association makes four recommendations urging their government to urgently make the necessary decisions to allow the health care institutions to operate on a sound and rational fiscal base.



## **D. Ontario Hospital Association**

In August 1978, the Ontario Hospital Association made a presentation to the Select Committee on Health Care Financing and Costs of the Ontario Legislature.

The first recommendation of their submission reads as follow:

The Association believes that few things are more important to an individual and his family than their good health and recommends that government reflect this concern by assigning the highest possible budget priority to health care and the preservation of the excellent hospital system we have in this province. The public has shown on numerous occasions that it will not tolerate political or economic measures which seriously jeopardize the health services it has come to expect. People will make their voices heard if they believe that is happening.

The Association also makes recommendations on the following subjects with the view to containing costs:

- Shared programs;
- Incentives;
- Physicians as gatekeepers;
- Use of hospital "Emergency" facilities;
- Problems of teaching hospitals.

In the last paragraph of its summary, the O.H.A. states that:

"Government must understand that, and in its zeal to cut costs it must beware of arbitrary financial decisions that will seriously impair the ability of our public hospitals to provide the services expected of them. OHA will continue to work with government in seeking reasonable areas for cost-containment and discouraging those that are not.

Before closing this section, we would like to draw the attention of the Task Force to the publication "The Ontario Legislative Assembly 1978 Report of the Select Committee on Health Care Financing and Costs".

## **E. Saskatchewan Health Care Association**

This Association has prepared a submission for C.H.A. in which they give their views and opinions on the renewal of the fiscal arrangements between the federal and provincial governments.

Their submission could be summarized as follow:

- National Health Standards must be established and maintained;
- The establishment of block funding did not relieve the federal government of responsibility for extending the health care system.

No formal written submission on health care costs or financing has been made by the Association in the last 3 to 4 years, but a regular exchange of information takes place between government and Association's representatives.

#### **F. Alberta Hospital Association**

The Alberta Hospital Association presented a brief to the Alberta Government Health and Social Services Caucus Committee in September 1979. The main thrust of the presentation concerned the future viability of the local trusteeship approach in providing hospital services within Alberta. The cost of hospital services was also addressed as an issue directly related to declining hospital board authority and autonomy.

Following a number of recommendations, the brief concluded as follows:

"Implicit in the foregoing recommendations is the concept of contractual relationship between two parties with some semblance of equality. Such a concept demands a clear definition of terms and conditions defining the authority and responsibilities of each party inclusive of rewards and penalties related to contract performance with provision for a third party to adjudicate alleged breaches of contract."

#### **G. British Columbia Health Association**

In 1976, in an audio-visual presentation, the British Columbia Health Association stated that "hospitals are in trouble". Facts and figures were presented to support this statement. In 1979, another presentation entitled "The Realities of Hospital Care in British Columbia" was presented which gave an update on the financial institutions of the province.

A complete review of the effects of financial cut back was presented and the presentation concluded with the two following remarks:

Hospitals must receive fair and equitable funding to cover the costs of delivering their services to the citizens of B.C.. The public has expectations for hospital care, and hospitals are providing care to meet those expectations. If government wishes to cut back on hospital services, the public must be advised before the fact and measures taken to lower public expectations.

The government's current funding policy for hospitals does not represent realistic cost containment. This policy is going to necessitate a degree of cutbacks in services in many hospitals - and particularly in our teaching and referral hospitals - that will be totally inconsistent with public needs and expectations.

The Ministry of Health of British Columbia and the B.C.H.A. have also undertaken a major study on "Hospital Funding Program". The report of the steering committee was presented in 1978, and in the Executive summary it is stated that:

"This report addresses a comprehensive evaluation of the present B.C. hospital funding system and identifies our recommendations to modify the system. These modifications were necessitated by several deficiencies in the present funding system. We believe that the implementation of the recommended modifications will not only improve upon the system deficiencies, but also will result in a funding system which will meet the needs of the hospitals and government over the long-term.

## **H. Hospital Association of Prince Edward Island**

### **Nova Scotia Association of Health Organizations**

### **Manitoba Health Organizations, Inc.**

### **Northwest Territories Hospital Association**

The above mentioned associations have not presented official documents to their respective governments in the last 3 to 4 years, but they have informed the Canadian Hospital Association that they have ongoing discussion and exchange of information with representatives of their governments on the subject of funding of their health care institutions.

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### **Section III**

## **National/Provincial Health Insurance Program**

**(Review of the five basic conditions)**

The main objective of the Canadian Health Insurance Program has been to provide a higher standard of health care for the population as a whole with the view to having healthier Canadians. Under the legislation, the federal government made financial contribution to provinces which operate health insurance plans with the following characteristics:

1. Comprehensive coverage;
2. Universality of coverage;
3. Reasonable accessibility;
4. Portability of benefits;
5. Administration on a non-profit basis.

We will examine whether these five conditions are being met and their effects on health care institutions.

### **1. Comprehensive Coverage**

The requirement for comprehensive coverage is established indirectly in the Hospital Insurance and Diagnostic Services Act and directly in the Medical Care Act. It is a basic condition of the health insurance program and refers to "insured services" agreed to in the acts. The requirement for comprehensive coverage of the hospital insurance program influences the design of the health care delivery system.

The Canadian Hospital Association believes this condition may not be met if recent budget restrictions continue. These restrictions on hospital financing may force some hospitals to abandon certain services or programs considered as "insured services". Hospitals are in a dilemma. They have limited control over budget allotments yet the public expects a high quality and quantity of service regardless of financial restraint.

Other factors may affect comprehensive coverage and some of them will be discussed under the heading Reasonable Accessibility.

### **2. Universality**

"Universal availability" in the Medical Care Act, 1967, refers to the availability of health services to all eligible residents of a participating province on uniform terms and conditions and covering at least ninety-five per cent of the total eligible population. In our judgement, this condition is being met.

### **3. Reasonable Accessibility**

The hospital insurance program established that accessibility to services must be unhindered by excessive user charges. Health and Welfare Canada's Annual Report '76/'77 on medical care states that no one needing medical care should be excluded from receiving benefits because of the cost of the necessary service.

The health care institution's ability to provide services depends on a number of factors:

- a) fiscal restraints imposed by governments as they affect new programs and services;
- b) availability of skilled manpower, and,
- c) increasing demand brought on by an aging population.

In addition, the individual's accessibility to hospital services is limited by:

- d) regionalization of services, and
- e) excessive user fees.

#### **a) Fiscal Restraints**

Fiscal restraint is the most significant impediment to accessibility. As this is an important issue, a section of this submission is devoted to hospital costs in Canada. Specifically, fiscal restraint imposed by governments affects accessibility to new programs and services.

The recent move from cost-sharing to block funding has given the provinces more potential freedom to determine new types of health services which each provincial health plan could offer. Hospitals, however, have not on the whole benefited from the new funding arrangements and have experienced a period of severe budget restraint. At the same time, the public expects and demands a quality and quantity of health care which does not decrease in periods of financial restraint. Canadian hospitals will have difficulty in maintaining the existing level of services and will be unable to meet the growing demand for new programs and services such as psychiatric day care, well-women clinics, palliative care, well-baby clinics, and social services programs. Thus the public's accessibility to existing services will be threatened if hospital budgets continue to be funded below the cost of providing the services, and the public will not have access to new programs which hospitals have been unable to implement.

**b) Availability of Skilled Manpower**

In order to provide accessibility to health care services an adequate supply of skilled manpower is essential. Three important manpower challenges can be identified for the health care industry in the 1980s:

- i) the training of sufficient skilled manpower;
  - ii) the appropriate distribution of health care workers, and,
  - iii) the balance of specialists and generalists.
- i) Hospitals were once a prime category of employment for females. The expansion of opportunities available to women in the work force will create more competitive conditions for hospitals trying to attract qualified personnel, particularly nurses. A potential wide-scale shortage of trained nursing staff, in some areas, will have a strong impact on the cost and future level of hospital services.
- ii) The equitable distribution of health workers is a concern to the Canadian Hospital Association. Despite efforts to provide a more equitable distribution of skilled health workers in Canada, a problem of maldistribution exists in some categories such as nursing, neonatology and anesthesiology. Further, health worker requirements are related to social and economic conditions and are increasingly vulnerable to international factors. This problem requires extensive and continuous study.
- iii) The third challenge in the area of skilled manpower needs is a complete assessment of the qualifications of individuals trained for the health industry. While Canada is fortunate to have representatives of most specialties in the health field, an imbalance has developed between specialization and general training.

**6. Recommendation**

IT IS RECOMMENDED that there be a long range study on skilled manpower requirements in the Canadian health industry by representatives from national and provincial health associations and government manpower authorities to be funded by governments.

**c) Aging Population**

The growth in numbers of people over 65 will affect accessibility to health services. People in their 70s consume twice as much hospital care as people in their 50s and four times as much



as people in their 20s. Recently, the Economic Council of Canada<sup>1</sup> reported that the proportion of the population 65 years and over which was one in 12 in 1976, could be as high as one in 10 in 1986 and one in eight in 2001. Canada's aging population will result in greater demand for health care in the future.

A report from Statistics Canada<sup>2</sup> states that one out of every five individuals were institutionalized for health care in 1975 for an average stay of eight days. If the demographic and utilization trends which existed in 1975 continue into the second decade of the next century, it will require all the present health care capacity to take care of older people alone. It appears that the immediate expansion of acute care facilities is necessary to meet growing needs. However, with an optimal utilization of capacity in acute care institutions, accompanied by redress in the maldistribution of long term care facilities, such as nursing homes and chronic care facilities, our present capacity to provide acute care will be sufficient until the mid-1980s.

The report says planning must be initiated in this decade to meet the projected increase in the requirement for hospital space created by the needs for services of an older population. With this increase in an aged population and the expected corresponding demand for services, increased cost will inevitably result.

In summary, these reports by Statistics Canada and the Economic Council of Canada point out the significance of the demographic trends on hospital cost and utilization. These reports indicate the need to study the ways in which the health care system can adjust to this demographic phenomenon.

## 7. Recommendation

IT IS RECOMMENDED that the long term care needs of Canadians be determined and alternatives to acute care services being used for long term care be considered for the aging population.

### d) Regionalization

For most of the population geography is not a major factor in limiting accessibility. Health care for people in northern and remote areas has been improved by transportation and telecommunication systems.

Centralization has in many cases improved the quality and cost-efficiency of services provided within a region. However, for individuals from small communities centralization has limited the

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1. Jac Andre Boulet and Gilles Grevier, *Health Expenditures in Canada and the impact of Demographic Changes on Future Government Health Insurance Program Expenditures*, Discussion Paper No. 123, p. 11, Economic Council of Canada, Ottawa, October 1978.

2. L.A. Lefebvre, Z. Zsimond, M.S. Devereaux, *A Prognosis for Hospitals, The Effects of Population Change on the Need for Hospital Space 1967-2031*, Statistics Canada.

the accessibility of health services. Distance, travel time, accommodation and a foreign environment are problems facing people from small communities. When a patient is away from family and friends during periods of long term care, there is an interruption in normal family life.

#### **e) Excessive User Fees**

A user fee is a charge assessed directly to the patient for institutional service. Some provinces use such charges while others do not.

Two reasons are given for the introduction of user fees.

1. an additional source of revenue
2. a deterrent to the excessive utilization of services.

There is no consensus on user fees among the Canadian Hospital Association's member organizations. Therefore it is not practical for this Association to offer a definitive statement for or against the imposition of such charges.

### **8. Recommendation**

IT IS RECOMMENDED that no direct user fees be implemented where there is any possibility that the imposition of such charges would unduly limit access to necessary health services.

Accessibility is in jeopardy. Fiscal restraint, availability of skilled manpower, a rapidly changing population profile, regionalization and excessive user fees may place new and major strains on the health care delivery system. Without corrective action these forces may diminish accessibility in the future.

### **9. Recommendation**

IT IS RECOMMENDED that the condition of reasonable accessibility be clearly defined and corrective action be applied to the forces which could hinder accessibility of health services.

### **4. Portability**

The health insurance program in each province provides benefits to its residents for physician and hospital services received when temporarily absent from their home province or when moving from one province to another. While this condition is met by all provinces some individuals encounter problems regarding the portability of benefits.

It is a complex system in which neither health care professionals nor hospital employees have been able to explain clearly to the public the benefits and limitations of the health insurance programs. The public often believes that every provincial insurance plan provides the same benefits without added cost or inconvenience. In fact, one province may reimburse another only the amount of its own rates for a particular service.

Another source of confusion occurs over the resident status of individuals, including out-of-province students, and whether the province will cover a portion of out-of-country costs. Problems are compounded when a patient receives insufficient proof of services received or when a patient has not received prior approval for elective care outside the province. In addition, when a patient from one province has paid added costs for health services received in another province, there are often lengthy delays in reimbursements caused in some instances by disputes between two provinces which have to be resolved at the federal/provincial level.

In summary, the health care system in Canada is really 10 provincial programs, each with its own range of services. The conditions of portability of benefits is being adequately met by all the provinces. However, this system hinders inter-provincial portability and frequently results in additional expense to the patient which often is a source of personal and financial embarrassment. To avoid these problems the condition should be more clearly defined for the public.

## **10. Recommendation**

IT IS RECOMMENDED that the condition of portability be defined more clearly to the public; a simplified system for handling claims between provinces be developed such as a national clearinghouse; the public be made completely aware of the range of benefits in other provinces covered by their own province's insurance plan and the limits (if any) on reimbursements for insured services; and a national toll-free telephone system be developed to answer queries from injured or ill members of the travelling public.

## **5. Administration on a non-profit basis**

Administration on a non-profit basis is set out in the Medical Care Act, 1967, and applies to the hospital insurance program as well. Concern for the condition of non-profit public administration could arise only if additional expense was incurred by an unnecessarily large bureaucracy within the administration.



The "Health Charter for Canadians ", published in the report of the "Royal Commission on Health Services, 1974" served as the blueprint for Canada's national health insurance programs. It recommended "...a comprehensive, universal Health Services Programme for the Canadian people". The fundamental principles of comprehensiveness and universality were defined in the "Charter":

"Comprehensive" includes all health services, preventive, diagnostic, curative and rehabilitative, that modern medical and other sciences can provide."

"Universal" means that adequate health services shall be available to all Canadians wherever they reside and whatever their financial resources may be, within the limitations imposed by geographic factors".

The conditions of universality, portability and public administration are clearly defined in the legislation and are being met. However, the conditions of comprehensive coverage and reasonable accessibility each represent a continuum, and are more difficult to define.

Prior to E.P.F. in 1977, comprehensive coverage was defined as the constantly changing list of services which the provinces and the federal government agreed to cost-share. With the end of cost-sharing, there is no longer a mechanism to guarantee that a minimum standard of health care will be accessible to all Canadians.

The Canadian Hospital Association believes that the conditions of comprehensive coverage and reasonable accessibility are showing signs of erosion. To halt this erosion, the federal government should assert its role as a monitor of the national health insurance programs. However, the federal government must not return to old cost-sharing mechanisms. Instead, it must monitor the effects of provincial health programs without involvement in the structure and content of these programs. It could introduce new conditions based on the monitoring of the health status of Canadians rather than the definitions of new programs content.

## 11. Recommendation

IT IS RECOMMENDED that the federal government monitor the effects of provincial health programs without involvement in the structure and content of these programs.

## 12. Recommendation

IT IS RECOMMENDED that the federal government along with provincial governments undertake all the necessary actions required to protect the National/Provincial Health Insurance Program from further erosion.

## **Section IV**

### **Health Charter for Canadians**

(Some issues in health care institutions)

"The achievement of the highest possible health standards for all our people must become a primary objective of national policy and a cohesive factor contributing to national unity, involving individual and community responsibilities and actions. This objective can best be achieved through a comprehensive, universal Health Services Programme for the Canadian people".

"Health Charter for Canadians"  
Royal Commission on Health Services 1964

This section discusses several fundamental concepts contained in the "Health Charter for Canadians"<sup>1</sup> such as:

1. local autonomous boards;
2. comprehensiveness;
3. individual responsibility;
4. education;
5. research;
6. remuneration of health professionals.

#### **1. Local Autonomous Boards**

"'Free and self-governing professions'... and for hospitals, (this means) freedom from political control or domination and encouragement of administration at the local level."

"Health Charter for Canadians"

A major principle which has guided Canada's development is that of local determination or autonomy. The concept of local autonomy is strong in the health care system. Boards of trustees for health care institutions are composed of volunteers from the community who have the overall responsibility to govern health care institutions. These boards create policies to meet the health needs in the community they serve.

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1. Royal commission on Health Services - 1964, Volume I, Queen's Printer, Ottawa, p. 11.

This method of health care governance is a basic strength of the national health care delivery system. High quality health care can be largely attributed to the leadership provided by these voluntary trustees in every community.

Trustees are both legally and morally responsible for the operation of their health care institutions. This responsibility is misunderstood by government and in some instances by the public. Events and trends in health policy have brought into question the autonomy of boards of trustees.

Education for experienced and new trustees should be available. This education is necessary because of the increasing complexity of hospital services, the institution's relationship with its community and modern methods of financing its programs. Trustees should be provided with a proper orientation to their role followed by continuing education programs as required.

Although the basic principles contained in the "Health Charter for Canadians" must be developed and monitored at the national level, it is the responsibility of local boards of trustees to enact these principles in the policies of their institutions.

While the "Charter" states that hospitals must be free from political control or domination and encourages administration at the local level, events and trends in health policy have cast a shadow on the autonomy of boards of trustees.

### **13. Recommendation**

IT IS RECOMMENDED that the role of the local boards of trustees be made explicit to governments and to the public by properly mandated organizations.

### **2. Comprehensiveness**

"'Comprehensive' includes all health services, preventive, diagnostic, curative and rehabilitative, that modern medical and other sciences can provide".

#### **"Health Charter for Canadians"**

The report of the Royal Commission of Health Services offered a blueprint for the types of health care services which could be available in any province. The Commission hoped that such a list of services would assist each province in defining and implementing a comprehensive health services program based on provincial needs. Since then new services have been developed such as: day surgery, care-by-parent units, specialty clinics for learning disabilities,



multi-disciplinary clinics for high risk newborns and those with handicaps. Therefore, the types of services outlined in the Royal Commission's report were appropriate in 1964, but new trends in services and public expectations for such services should be taken into account by all those responsible for setting health care policy.

## **14. Recommendation**

IT IS RECOMMENDED that standards for health be defined at the national level by properly mandated organizations; alternative methods of meeting those standards remain at the provincial and local levels; the recommendation put forward by the Royal Commission on Health Services - 1964 for comprehensive services be updated to recognize the need for innovative modes of delivery.

## **3. Responsibility of the Individual**

"...Accomplished through the full co-operation of the general public,... Full co-operation means the responsibility of the individual to observe good health practices and to use available health services prudently."

"Health Charter for Canadians"

### **a) Health Promotion — Disease Prevention**

The principles in the "Health Charter for Canadians" guarantee the individual's right to health care services but they do not preclude the individual's responsibility towards health maintenance. These principles can only be ensured when there is no misuse of the services.

The hospitals have assisted the individual to carry out this responsibility through patient education, screening programs and community health education. Nevertheless the hospital's primary mandate is curative care and little money can be spared for health promotion and disease prevention.

During the 1950s and 1960s society felt that curative care was a panacea for all health problems. One of the hallmarks of the 1970s was the growth of public awareness of community health education and health promotion. This new awareness emphasized the prevention of illness and the need for individuals to take responsibility for their own lifestyle. However, health promotion and disease prevention measures are not the only solution. What is needed is broader health policy to include the fields of social welfare and education.

## 15. Recommendation

IT IS RECOMMENDED that governments formulate broader health policy, which include policies for health promotion and disease prevention.

### b) Misuse of Services

There is a question of whether or not services in health care institutions are being misused. It has been said that services are being used in ways for which they were not intended; for example, visiting the emergency facilities instead of a doctor's office, and the extended hospitalization of the chronically ill patient because he has no place to go. Direct charges have been implemented in an attempt to control the misuse of services in some parts of the country.

In a recent study of the Ontario Economic Council,<sup>1</sup> the authors examine the argument that one of the ways to control health care costs is to make patients more aware of the cost of the care they consume.

"The argument has two prongs. First, it is asserted that a significant amount of patient-initiated utilization consists of 'unnecessary' care which could be deterred by direct charges. Second, it is often suggested that individuals should assume greater personal responsibility for their health status through preventive lifestyle changes and should rely less on the medical profession, a transition which would be helped along by direct charges."

"Upon further examination, however, we find that argument rests on very shaky ground. There is little, if any, evidence to suggest that patients are the primary generators of marginally needed care and (perhaps because of that) no evidence whatsoever to suggest that prices tend to deter that segment of care first. Therefore, while there are a number of potential avenues for introducing personal accountability, analyses of them converge upon the same conclusions - consumption of necessary care may be deterred, aggregate health care expenditures are influenced marginally, if at all, and there is little reason to believe that direct charges for health services encourage preventive self-maintenance. Moreover, deterrence of care-seeking by an individual does not in itself reduce health care use, since additional provider-generated utilization can easily offset this reduction."

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1. M.L. Barer, R.G. Evans, G.L. Stoddart, *Controlling Health Care Costs by Direct Charges to Patients: Snare or Delusion?* Ontario Economic Council, Occasional Paper 10, 1979, p. VIII.

## 16. Recommendation

IT IS RECOMMENDED that recent studies on user charges be brought to the attention of all those concerned with formulating health policy.

### 4. Education

"'Full cooperation' means the provision of educational facilities of the highest standards and the removal of financial barriers to education and training to enable all those capable and desirous of so doing to pursue health service careers."

"Health Charter for Canadians"

#### a) Teaching Hospitals

The teaching hospitals in Canada have extensive responsibilities for the provision of teaching resources and opportunities for experience of undergraduate medical students, interns and residents as well as for students of other health professions.

Such experience is essential to the training of the student and cannot be provided in other settings. In provision of quality training, the teaching hospitals are faced with unique demands and costs not reflected in the budgets of non-teaching hospitals. Consideration should be given to the special commitments made by teaching hospitals through their advanced diagnostic and treatment facilities and through their major teaching programs.

Most major teaching hospitals are heavily involved in tertiary diagnostic and patient care and in life support programs. Attraction and retention of skilled physicians to conduct these programs and associated teaching commitments is substantially related to the availability of geographic faculty both full time and part time. Such posts usually involve a financial commitment to the salary by both medical school and hospital, together with costs related to office accommodation and secretarial support. Progressive cutbacks in budgets is resulting in serious recruitment difficulties with consequent impairment of vital tertiary care programs and their associated teaching components.

The role of teaching hospital is province or nation-wide, hence total capital funding is not a legitimate charge against the communities in which they are located. Just as Canada required new facilities funded by the Health Resources Fund to provide physician manpower for national health insurance, so is funding needed to ensure continuation of medical education programs in the future.



## **17. Recommendation**

IT IS RECOMMENDED that consideration be given to the special commitments made by teaching hospitals; these additional functions of teaching and research be delineated and recognized by provincial governments; appropriate provision be made for funding of both direct and indirect costs; future funding mechanisms ensure adequate provision of clinical teachers necessary to provide the essential geographic commitment to tertiary patient care and teaching programs; the special funding program for capital assistance, to medical schools and their affiliated teaching hospitals, be re-established.

### **b) Continuing Education**

Whereas the "Health Charter for Canadians" endorses preparatory education for health professionals there are other aspects of education which must be supported if excellence is to be achieved in the health care delivery system; for instance, updating clinical and administrative skills, and providing continuing education in health promotion and disease prevention. These programs must be effectively developed if the health care system is to adapt itself to new trends and changing needs.

Education programs are often regarded as a luxury in health care budgets, or where they exist, they are the first victims of cost-cutting during periods of financial restraint. The reduction of programs lowers personal commitment, morale and the overall level of initiative. Continuing education stimulates employee involvement in new hospital programs and encourages a creative look at existing programs.

## **18. Recommendation**

IT IS RECOMMENDED that budgetary allotments be made to support the continuing education for all health care providers by properly mandated organizations.

## **5. Research**

All types of health research in Canada have been underfunded. Such research includes the basic health sciences and the clinical sciences traditionally funded by the Medical Research Council (MRC) and the more applied, epidemiological and health systems research supported in part by the National Health Research and Development Program (NHRDP). The Canadian Hospital Association is critical of the low level of support and the absence of medium and long term

health research commitments. The low level of support has restricted the number and scope of investigations and has made Canada increasingly dependent on imported health care knowledge and technology.

The sporadic nature of health research funding, as demonstrated by restricted allocations to MRC in terms of high inflation, and recent budget cuts for NHRDP make it difficult for Canadian health research to plan their work. It has become impossible to maintain a critical mass of expertise in research teams - a prerequisite to successful research in a multidisciplinary field. Finally, the uncertainty surrounding research funding has made research as a career an unattractive option. While existing research scientists struggle to survive in the present climate, potential researchers will avoid the health research field, generating a severe shortage of expertise required to address the emerging health needs in the future.

## **19. Recommendation**

IT IS RECOMMENDED that governments recognize the importance of health research by vastly increasing the level of research support through their existing granting agencies and by allocating new funds to the support of different types of investigation such as health policy analysis, and the establishment of more appropriate health standards. Health research funding must be established with medium and long range commitments (perhaps 5 to 10 years) to remove the funding uncertainties detrimental to effective health research.

## **6. Remuneration of Health Professionals**

"'Full co-operation' means the methods of remuneration of health personnel - fee-for-service, salary or other arrangements - and the rates thereof should be as agreed upon by the professional associations and the administrative agencies and not be arbitrary decision, with an appeal procedure in the event of inability to agree."

"Health Charter for Canadians"

In recent years major conflicts have arisen out of negotiation disputes between health professionals, health institutions and the paying agencies. Proper arbitration procedures have not developed and new approaches will have to be determined.

### **Conclusion: Health Charter for Canadians**

From the beginning of Canada as a nation, the federal government has worked toward equalizing the quality of life and opportunity for all Canadians. In the health field this has been done through specific legislation: the Hospital Insurance and Diagnostic Services Act, 1957, and the Medical Care Act., 1967. The ideals set out in the "Health Charter for Canadians" have not been fully adhered to or realized. These weaknesses must be remedied immediately, within the context of the political and constitutional evolution of the country.

#### **XX RECOMMENDATION**

IT IS RECOMMENDED that governments reaffirm their commitment to the principles of local autonomous boards, comprehensiveness, individual responsibility, education, research and remuneration of health professionals as contained in the "Health Charter for Canadians" and promote a basic level of health care as a common goal for each provincial health system.

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## **Section V**

### **Health Standards**

**(A substitute to definition of programs content)**

The need for a clear direction for national health policy is underlined by this review of the national health insurance program. There is a need for a reaffirmation of the principles in the national health insurance program and the "Health Charter for Canadians". However, this can only be accomplished through the creation of appropriate national standards for health care.

These national standards are required to monitor the effectiveness of government expenditures in health care thereby determining the congruence between first principles and the performance of the health care system.

Under cost-sharing agreements for health programs, the federal government influenced the delivery of health care to Canadians by introducing schemes whereby the federal government cost-shared certain services and not others. For example, many forms of hospital care were cost-shared but nursing home care was not. Most physician services were cost-shareable, but dental services were not.

The introduction of health services with a high proportion of federal dollars was too attractive for provincial governments to refuse and the financial conditions and definitions of cost-shareable services became "de facto" the minimum standards for health care. The Canadian Hospital Association emphasizes that previous standards were a mix of financial considerations, definitions of approved services and measurements of the quantity of services delivered by provincial health programs. We will call these historical standards "financial and input standards".

One of the motivations which prompted the provinces to accept the recent fiscal arrangement under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, was the setting of health program priorities to meet provincially determined needs. While E.P.F. has freed the provinces to make their budget allocation decisions within their provincial health systems, and indeed, between health and other provincial programs, there is now no mechanism to ensure a minimum standard of health care from one province to another. The Canadian Hospital Association strongly believes the federal government should establish its role as a monitor of national standards of health.

The traditional financial and input standards which existed under cost-sharing arrangements may have been necessary for the early years of national health insurance but these standards must be replaced by tools more appropriate to the new role of the federal government. The new standards must be statements of the minimum levels of the effectiveness of provincial health systems. Provincial conformity to these standards must

be replaced by tools more appropriate to the new role of the federal government. The new standards must be statements of the minimum levels of the effectiveness of provincial health systems. Provincial conformity to these standards must be measured by health results, not by defining a minimum list of mandatory services which would only distort once again provincial program priorities.

### **Health Standard Measurement**

Obtaining federal/provincial agreement on health standards will be a difficult task. However, a prerequisite to this activity is the creation of the standards themselves, which can only be accomplished through a concerted effort in research.

Health care research has been inadequately funded by all levels of government. In recent years, budget restrictions at the federal level have reduced the support for research to the point where existing research teams cannot be maintained and investigators with promising, innovative research plans cannot start.

Research in areas such as information systems, workload measurement systems, accounting standards and the like, which require developmental approaches quite different from the more traditional epidemiologically oriented research studies, have not been adequately funded.

The reduction in research funding in times of budgetary restraint is somewhat paradoxical. The research which cannot now be supported is the very work which could lead to more effective and cost-efficient means of delivering health care to the Canadian population.

### **Conclusion: Health Standards**

While the Canadian Hospital Association supports the need for an adequate funding base for the Medical Research Council and the National Health Research Development Program, the Association advises that additional research funds be allocated to develop the methods necessary for an evaluation of the results of the health care system in Canada. A high priority for future research work is the development of a more appropriate information base for health care institutions, by which clinical, statistical and financial measures of performance can be related to altered health outcome.

## **21. Recommendation**

IT IS RECOMMENDED that adequate funds be made available to support the research necessary to develop appropriate standards of health and methods to measure these standards and, the funding for this research should be separate from the Medical Research Council and the National Health Research and Development Program by virtue of its goals and required methodology.

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## **Section VI**

### **Health Institutions Costs**

**(The need for continuous financial support)**

During the past decade, the hospital sector has been severely criticized for the rapid escalation of its cost of operation. The criticism has come largely from some politicians and bureaucrats who have publicly assailed hospitals in respect to their operating costs. The Canadian Hospital Association believes these criticisms are superficial and unfounded. These criticisms have distorted the public's perception of the hospital sector.

It is evident from information currently available that costs in the hospital industry are not out of control and are in fact growing at a slower pace compared to other government expenditures and private sector cost increases. Hospital/health associations are optimistic that health care costs will continue to be controlled through technological health care innovations, such as improved treatment techniques, more efficient organization structures, more effective delivery systems and through effective health promotion.

The Canadian Hospital Association's comments on the costs of hospital care in Canada are presented with an important caveat. All the data available today on costs and utilization do not relate to the quality and effectiveness of hospital care. Therefore, any analysis of costs in the health care sector is limited to an examination of the inputs only,. Conclusions must carefully drawn.

Hospital costs cannot be examined without focusing directly on personnel costs which in hospitals account for 70 to 75 per cent of total operating costs. Salaries for hospital personnel have risen appreciably over the eight year period from 1970 to 1977. All occupations show a real net increase in earning after adjusting for increases in the cost of living. Salaries for hospital employees increased at a faster rate than earnings for employees in non-health related occupations with the most rapid rate of relative increase occurring in 1974-75. Since then earnings for employees in the rest of the economy have risen faster than those in the hospital sector.

### **Total Costs**

With such a significant proportion of total costs in hospitals explained by personnel costs, it is not surprising that total costs mirror the increases which have occurred in salaries. Total hospital costs over the same period from 1970 to 1977, increased from 3.61 per cent of the GNP to 3.79, a relative increase of only 4.9 per cent.<sup>1</sup> This increase was experienced in the early years of

the decade and costs have remained constant or have fallen slightly in 1976 and 1977.

From an international perspective, Canadian health care costs as a percentage of the GNP compares favourably with all industrialized countries of the world.

In May of 1978 Mr. Justice Hall stated:

"It is in the light of these figures that Canadians must judge whether it is health care costs that are dragging down the economy, and realize that hospitals and health care personnel in general are being made the whipping boys, taking the blame for the uncontrolled expenditures of governments at all levels where segment after segment has received increases percentage wise much greater than those attributable to the health industry."<sup>1</sup>

The Canadian Hospital Association believes the strength of the attack on hospital costs was unfounded. However, it did have the positive effect of forcing hospitals to re-evaluate their methods of operation and to attempt to reduce their costs while maintaining acceptable levels of care. Cost reduction programs in hospitals have included new administrative procedures, the introduction of emerging cost-effective technologies, adjustments to manpower allocations, the implementation of productivity enhancement programs and expansions to out-patient and home care programs.

The ability of hospitals to change and adapt has kept costs at a reasonable level. However, all these changes have limitations beyond which hospitals should not go in the absence of methods to measure the benefits of future innovations. Future cost reduction programs must not create adverse effects on the quality of care provided in health care institutions.

Hospitals and health care in general are regarded by the population as extremely important services. In the future, expenditures in health care must be based on information which takes into consideration not only the utilization data (quantity) but clinical data (quality) as well. The previous 30 years were devoted to building new facilities and implementing national health insurance programs. The next 20 years should have as a high priority, the development of evaluation technology required to assess the investment in hospitals and health care.

In addition, hospitals have not been aggressive enough in describing the good service they provide under difficult conditions. Hospitals must more actively inform the public about the changes they are undertaking to adapt to changing conditions.

## 22. Recommendation

IT IS RECOMMENDED that governments assist health care institutions in informing the public of the real cost of health care in relation to rising costs in other sectors of the economy.

The Canadian Hospital Association recognizes the major financial contribution that the federal government is presently making to the provinces to help them defray the costs of operating the Health Insurance Programs.

In the chapter entitled "From Shared Cost to Block Funding and Beyond: The Politics of Health Insurance in Canada" by R.J. Van Loon<sup>1</sup>, the section on Health Program and the Politics of Fiscal Federalism describe in details the principles underlying the field of fiscal federalism.

A complete review of the actual E.P.F. Act is done in an article entitled "Financing Health and Post-Secondary Education: A New and Complex Fiscal Arrangement" by G.E. Carter.<sup>2</sup> In his conclusion, Carter stated:

"The new arrangements for financing health and higher education constitute a major development in intergovernmental fiscal relations. Shared-cost financing (conditional grants), defective in design and administration had been losing their credentials as fiscal instruments. Both the opting out provision in 1965 (taken up by Quebec) and the post-secondary education arrangement, two years later, had anticipated the new approach to financing "established" programs.

In theory, the provinces would be enabled to assume full financial responsibility for the programs by a federal transfer to them of the appropriate tax room. But this obvious (and much simpler) approach was rejected for two important reasons. First, through the cash grant (although unrelated to actual program costs), a federal presence would be retained. And the high national standards achieved in the health field could be imputed to several specific federal objectives. Secondly, the acceptance by most provinces of the whole federal contribution in the form of a tax transfer was unlikely. After all, a uniform number of tax points yields very different amounts of revenue from province to province. Indeed, a principal fault, already explained, is that only Ontario and British Columbia benefit initially from the transfer of tax room. Until the value of the equalized tax points surpasses that of the cash component, the whole federal contribution to the other eight provinces will grow in proportion to GNP. While conversion of the whole contribution into a block grant would have avoided this problem, a concession in the form of income tax points had become

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1. Edited by C.A. Meilicke & J.L. Storch, Perspectives on Canadian Health and Social Services Policy: History and Emerging Trends, Health Administration Press, Ann Arbor, Michigan

2. Canadian Tax Journal, Vol. XXV, No. 5, September-October 1977



politically imperative. Such a concession is, however, more inflexible and less able to be reversed than one in the form of a block grant.

On the positive side, the federal government has regained control over a sizable slice of its own expenditures by eliminating the three largest open-end grants. In addition, the removal of conditions under which costs were eligible for federal sharing may result in more efficient provincial expenditures within the health field. But it is unfortunate that the extraordinary complexity of the EPF transfer has left all but a few treasury economists in the Stygian darkness."

Documents given to us by Health and Welfare Canada indicate that the share of the federal government has increased in the last 4 years by a significant percentage. Data included in the report by Justice E.M. Hall in "Canada's National/Provincial Health Programs for the 1980's" also give clear indication of the financial commitment of the federal government.

The Canadian Hospital Association, on the other hand, is afraid that any reduction in the federal funding of the National/Provincial Health Insurance Program would place this program in such a precarious state in certain provinces, that we may lose the benefits of this very valuable national achievement.

A review of the equalization formula contained in the legislation might be in order to help provinces who may be in financial difficulties. Again, we refer to Justice Hall's recent report to support this suggestion.

### **23. Recommendation**

IT IS RECOMMENDED that in order to protect the National/Provincial Health Insurance Program presently in operation, funding by the federal government be maintained at least at its present level and that the actual funding formula described in the Established Programs Financing Act, 1977 be maintained for another period of 5 years.

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## **Section VII**

### **Health Council of Canada**

**(Proposal to ensure the appropriate development of the health care delivery system)**

The review of the national health insurance programs has led to an analysis of the elements which have shaped our national health care goals.

The review will create more widespread understanding by the public of the issues that face the health services program and will lead to a more informed basis for policy decision makers. In preparing its views, the Canadian Hospital Association observes that although there have been various studies of the health care industry, few recommendations from these studies have been implemented.

Health policy is a central concern of all who affect health care delivery. Despite growing knowledge and wider expertise in the health care field, health policy choices have become more difficult in this era of modern medicine and national health insurance.

More is expected of health care today. The decisions on allocation, coordination and priority for health care expenditures have broad implications. To make these decisions, costs and benefits must be identified. In addition moral and ethical judgements influence the interpretation of both costs and benefits.

Neither health care providers nor governments are well equipped for the major difficulties of this task of formulating health policy. There is consensus on this among hospital/health associations, governments, educators and those who think seriously about the need for health policy making. Information methodology and appropriate measurement tools are lacking. An independent body of expertise is needed.

Proper goals must be established to assure that the health care delivery system employs its resources more appropriately. Measurement tools must be developed, information must be available, and alternative modes of health care delivery must be identified and appraised. Without these steps the system will evolve through expedient solutions, and actions may be taken before any clear picture of the problem is obtained.

The Canadian Hospital Association proposes an independent health council to review health policy and provide the foundation for decision-making.

The Health Council of Canada as proposed by the Canadian Hospital Association would be modelled on other learned organizations such as the Economic Council of Canada, the Hudson Institute and the Institute for Research on Public Policy. The Council would be funded through public and private sources. The Council's board would be comprised of distinguished members of the health industry, government and the public. The Council

would carry out policy research, generate information and publish its findings to raise the level of discussion of health policy. It would evaluate programs and examine alternatives to funding arrangements. The Council could perform other functions as needed by an evolving health system.

### **Conclusion: Health Council of Canada**

The Canadian Hospital Association believes there is an urgent need for a Health Council of Canada and will work in support of its development. The provincial hospital/health associations, through the Canadian Hospital Association pledge to participate to the fullest extent in the creation and work of this Council.

### **24. Recommendation**

IT IS RECOMMENDED that a Health Council of Canada be established as an independent body to examine national health care policy; the Council be governed by distinguished representatives of the health industry, government, and the public; and, the Council be funded through public and private sources.

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Atlantic Health Region	Judge L. McIntyre
Northwest Territories Hospital Association	Mrs. Y. Hooper
Catholic Health Association of Canada	Rev. Norman Andries



**APPENDICE «FISC-29»**  
**MÉMOIRE PRÉSENTÉ AU**  
**GROUPE DE TRAVAIL PARLEMENTAIRE**  
**SUR LES**  
**ACCORDS FISCAUX ENTRE LE GOUVERNEMENT FÉDÉRAL ET LES PROVINCES**  
**PAR L'ASSOCIATION DES HÔPITAUX DU CANADA**

Avril 1981

Mai 1981

Monsieur Herb Breau  
Président du  
Groupe de travail parlementaire sur  
les accords fiscaux entre le gouvernement fédéral et les provinces  
Chambre des communes  
Ottawa, Canada  
K1A 0A6

Monsieur le Président,

L'Association des hôpitaux du Canada a étudié l'ordre de renvoi du Groupe de travail parlementaire sur les accords fiscaux entre le gouvernement fédéral et les provinces et vous présente le mémoire suivant.

Lors de la Conférence fédérale-provinciale des premiers ministres, qui s'est tenue à Ottawa les 14 et 15 juin 1976, le très honorable Pierre Elliott Trudeau, Premier ministre du Canada, a déposé un document intitulé: *Financement des programmes établis de longue date*. Proposition relative aux principaux programmes à frais partagés en matière de santé et d'enseignement postsecondaire. Dans ce document, le Premier ministre présente les cinq principes qui, selon le gouvernement, devraient être appliqués à ces programmes:

- (1) Le gouvernement fédéral devrait continuer de collaborer avec les provinces à l'élaboration des politiques nationales de santé et d'enseignement postsecondaire;
- (2) Le gouvernement fédéral devrait continuer de jouer un rôle important dans le financement des programmes;
- (3) La quote-part du gouvernement fédéral devrait être calculée indépendamment des dépenses des programmes provinciaux;
- (4) Les contributions versées par le gouvernement fédéral aux provinces dans le cadre du programme devraient être réparties plus également par habitant d'une province à l'autre;
- (5) Les accords régissant ces principaux programmes devraient reposer sur une base plus stable.

Les articles 13 à 23 du document gouvernemental expliquent bien ces principes et décrivent également les moyens qu'entend prendre le gouvernement pour y donner suite.

Dans le cadre de la reprise des négociations des accords fiscaux entre le gouvernement fédéral et les provinces, l'Association des hôpitaux du Canada craint que la stabilité du régime d'assurance-santé national et provincial, régime assuré à tous les Canadiens, ne soit compromis.



Le mémoire de l'Association des hôpitaux du Canada fait état de certaines des principales préoccupations de toutes les associations de santé du Canada, et partant, des centres de services de santé quant à la question complexe et très délicate du financement du programme national de santé. Des membres de l'Association vous présenteront ce mémoire à la séance du 13 mai 1981.

Si vous avez besoin de plus amples renseignements, vous pouvez communiquer avec l'Association au numéro de téléphone 238-8005.

Respectueusement soumis,

Le président de l'Association,  
J. C. Martin

### Avant-propos

L'Association des hôpitaux du Canada est une fédération regroupant les associations suivantes:

- \* British Columbia Health Association
- \* Alberta Hospital Association
- \* Manitoba Health Organizations Inc.
- \* Saskatchewan Health-Care Association
- \* Ontario Hospital Association
- \* Association des hôpitaux du Québec
- \* New Brunswick Hospital Association
- \* Nova Scotia Association of Health Organizations
- \* Newfoundland Hospital Association
- \* Hospital Association of Prince Edward Island
- \* Northwest Territories Hospital Association
- \* Catholic Health Association of Canada
- \* Association médicale canadienne
- \* American Hospital Association

L'Association s'est donnée comme objectif:

- a) d'aider ses membres à promouvoir un système intégré, efficace et humain de services de santé de la meilleure qualité possible, en prenant en charge des programmes et des activités en ce sens ou en y collaborant.
- b) de présenter l'opinion de ses membres aux personnes intéressées.

En 1928, l'Association médicale du Canada crée un département des services hospitaliers. En 1931, ce département devient le Conseil des hôpitaux du Canada; plus tard, en 1953, ce Conseil change de nom pour devenir l'Association des hôpitaux du Canada. Le siège de l'Association des hôpitaux du Canada était à Toronto jusqu'en 1977, année où elle a déménagé à Ottawa.

Les affaires de l'Association sont gérées par un conseil d'administration de 20 membres élus pour un mandat de deux ans. Vous en trouverez les noms à la page 11. Ses membres sont le Président, le Président désigné, le Président sortant et le Président de l'Association. Le Président de l'Association, nommé par le conseil d'administration, s'occupe activement de la gestion des affaires sous la direction du conseil. Chaque association provinciale peut déléguer un membre au conseil d'administration et les quatre autres membres représentent une région du pays (l'Atlantique, le Québec, l'Ontario et l'Ouest). L'Association tient une assemblée générale annuelle et elle fonctionne dans les deux langues officielles.

L'Association œuvre dans trois domaines principaux:

- 1) la *représentation* auprès du gouvernement fédéral, des associations nationales et internationales de santé et des gouvernements étrangers;
- 2) les *programmes nationaux* en matière d'éducation, de publication et de recherche;
- 3) les *programmes conjoints* avec d'autres associations nationales, notamment le Conseil canadien d'agrément des hôpitaux, l'Association canadienne de normalisation, l'Association des infirmières canadiennes.

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## LISTE DES RECOMMANDATIONS PAR CATÉGORIES

### Finances

#### 1. Recommandation

NOUS RECOMMANDONS que toutes les rencontres portant sur les négociations du financement des programmes établis se fassent en public pour que les médias et les associations intéressés puissent y assister.

#### 2. Recommandation

NOUS RECOMMANDONS que le gouvernement fédéral et les gouvernements provinciaux accordent le statut d'observateur à l'Association des hôpitaux du Canada à toutes les réunions sur les négociations du financement établi.

#### 3. Recommandation

NOUS RECOMMANDONS que toutes les données financières et statistiques, ainsi que la documentation se rapportant aux négociations du financement des programmes établis, soient publiées.

#### 4. Recommandation

NOUS RECOMMANDONS que les ministres fédéral et provinciaux de la santé participent pleinement aux négociations qui donneront forme aux futurs programmes d'assurance-santé à frais partagés qui seront élaborés suivant les décisions prises.

#### 5. Recommandation

IL EST RECOMMANDÉ que les négociations sur le renouvellement des accords fiscaux conclus entre le gouvernement fédéral et les provinces tiennent compte des besoins en matière de santé afin de respecter les normes pré-établies dans ce domaine et ce, dans toutes les régions du Canada.

#### 12. Recommandation

IL EST RECOMMANDÉ que le gouvernement fédéral, parallèlement à ceux des provinces, prenne toutes les mesures nécessaires pour mettre le programme d'assurance-maladie provincial-national à l'abri d'une détérioration encore plus marquée.

#### 16. Recommandation

NOUS RECOMMANDONS que les récentes études effectuées sur la facturation directe à l'utilisateur soient portées à l'attention des personnes qui s'occupent de l'élaboration des politiques en matière de santé.

#### 17. Recommandation

NOUS RECOMMANDONS qu'une attention spéciale soit accordée aux engagements spéciaux que prennent les hôpitaux de formation; que ces rôles supplémentaires de formation et de recherche soient décrits et reconnus par les gouvernements provinciaux; que des dispositions appropriées soient prises afin d'assurer le financement des coûts directs et indirects; que les futurs mécanismes de financement assurent la présence d'un nombre suffisant de professeurs en clinique afin de remplir, dans la région, l'engagement essentiel relatif aux programmes tertiaires de soins et de formation; que le programme spécial de financement pour les écoles de médecine et leurs hôpitaux de formation soit réinstauré.

**19. Recommandation**

NOUS RECOMMANDONS que les gouvernements reconnaissent l'importance de la recherche en matière de santé en augmentant considérablement leur appui à ce secteur par l'entremise de leurs organismes de financement actuels et en accordant de nouveaux fonds à divers types d'études, comme l'analyse de politiques en matière de santé, et la mise sur pied de normes plus appropriées dans ce secteur. Le financement de la recherche doit être établi et fondé sur des engagements à moyen et à long terme (peut-être cinq à dix ans) afin de lever les incertitudes qui nuisent au succès de la recherche.

**21. Recommandation**

IL EST RECOMMANDÉ d'accorder les fonds nécessaires pour la recherche en vue d'établir des normes appropriées en matière de santé ainsi que des méthodes permettant d'évaluer ces normes et, compte tenu des objectifs visés ainsi que des méthodes qu'il convient de suivre, d'affecter à cette recherche des fonds distincts de ceux allant au Conseil de recherches médicales du Canada et au Programme national de recherche et de développement en matière de santé.

**22. Recommandation**

IL EST RECOMMANDÉ que les gouvernements aident les établissements de soins médicaux à informer le public du coût réel des services de santé compte tenu de l'augmentation des coûts dans d'autres secteurs.

**23. Recommandation**

IL EST RECOMMANDÉ, afin de protéger le programme national et provincial d'assurance-hospitalisation actuellement en vigueur que le gouvernement fédéral maintienne au moins à leur niveau actuel les fonds qu'il accorde au programme et qu'on conserve pendant encore cinq ans la formule de financement décrite dans la Loi de 1977 sur le financement des programmes établis.



## Santé

### 6. Recommandation

IL EST RECOMMANDÉ que soit effectuée une étude à long terme sur les besoins en main-d'œuvre spécialisée du secteur de la santé au Canada, étude qui soit réalisée par des représentants d'associations de soins de santé nationales et provinciales de même que par les autorités gouvernementales en matière de main-d'œuvre et que cette étude soit financée par les gouvernements.

### 7. Recommandation

IL EST RECOMMANDÉ que les besoins en soins à long terme des Canadiens soient définis et que, compte tenu du vieillissement de la population, on envisage de trouver d'autres solutions que les services de soins des malades aigus dans les traitements à long terme.

### 8. Recommandation

IL EST RECOMMANDÉ qu'aucun frais ne soit directement imposé à l'utilisateur là où il existe le moindre risque que cette imposition limite indûment l'accès à des services de santé nécessaires.

L'accessibilité est menacée. Les restrictions financières, la disponibilité de la main-d'œuvre spécialisée, l'évolution rapide de la population, la régionalisation et l'imposition de frais excessifs à l'utilisateur pourraient imposer des contraintes accrues et encore plus lourdes au système de prestations de soins de santé. Faute de mesures de redressement, ces facteurs risquent de réduire l'accessibilité.

### 9. Recommandation

IL EST RECOMMANDÉ que la condition de l'accessibilité raisonnable soit clairement définie et que des mesures de redressement soient imposées à l'égard des facteurs qui risquent de réduire l'accessibilité aux services de santé.

### 10. Recommandation

IL EST RECOMMANDÉ que la condition de transférabilité soit définie plus clairement à l'intention de la population; qu'un système simplifié de traitement des demandes de remboursement entre provinces soit élaboré sur le modèle d'un centre national de compensation; que le public soit bien mis au courant de la gamme des services offerts dans d'autres provinces et qui sont couverts par le régime d'assurance de la leur ainsi que des limites (les cas échéant) des indemnités prévues pour les services assurés; et enfin qu'un réseau téléphonique national gratuit soit mis en place pour répondre aux demandes des services des personnes blessées ou malades qui voyagent.

### 11. Recommandation

IL EST RECOMMANDÉ que le gouvernement fédéral évalue les effets des programmes de santé des provinces sans toutefois intervenir ni dans l'organisation ni dans le contenu de ces programmes.

### 12. Recommandation

IL EST RECOMMANDÉ que le gouvernement fédéral, parallèlement à ceux des provinces, prenne toutes les mesures nécessaires pour mettre le programme d'assurance-maladie provincial-national à l'abri d'une détérioration encore plus marquée.

**13. Recommandation**

NOUS RECOMMANDONS que le rôle des conseils d'administration régionaux soit expliqué clairement au gouvernement et au public par des organisations dûment mandatées à cet effet.

**14. Recommandation**

NOUS RECOMMANDONS que les normes de santé soient définies à l'échelle nationale par des organismes—dûment mandatés à cet effet; que les gouvernements provinciaux et municipaux fixent les méthodes de rechange qui permettront de respecter ces normes; que la recommandation formulée par la Commission royale d'enquête sur les services de santé en 1964, touchant les services complets devrait être actualisée de façon à refléter le besoin de répondre aux vœux de la population, par des méthodes nouvelles de soins.

**15. Recommandation**

NOUS RECOMMANDONS aux gouvernements de formuler des politiques plus générales en matière de santé, y compris des politiques pour la promotion de la santé et la prévention des maladies.

**16. Recommandation**

NOUS RECOMMANDONS que les récentes études effectuées sur la facturation directe à l'utilisateur soient portées à l'attention des personnes qui s'occupent de l'élaboration des politiques en matière de santé.

**18. Recommandation**

NOUS RECOMMANDONS que des fonds soient prévus afin d'appuyer la formation continue de tous ceux qui s'occupent du secteur de la santé par l'intermédiaire d'organismes dûment mandatés à cet effet.

**20. Recommandation**

NOUS RECOMMANDONS que les gouvernements réaffirment leur attachement aux principes suivants: l'existence de conseils d'administration régionaux, le caractère complet, la responsabilité des particuliers, l'éducation, la recherche et la rémunération du personnel de la santé tel qu'établi dans la «Charte de santé des Canadiens» et assurent la promotion d'un niveau minimum de soins comme but commun à chaque régime provincial de santé.

**22. Recommandation**

IL EST RECOMMANDÉ que les gouvernements aident les établissements de soins médicaux à informer le public du coût réel des services de santé compte tenu de l'augmentation des coûts dans d'autres secteurs.

**24. Recommandation**

IL EST RECOMMANDÉ qu'un Conseil canadien de la santé soit créé comme organe indépendant et chargé d'étudier la politique nationale en matière de soins médicaux; il serait dirigé par d'éminents représentants du secteur de la santé, du gouvernement et du public et financé par les secteurs public et privé.

## RÉSUMÉ DES RECOMMANDATIONS

### Chapitre I

#### Accords fiscaux entre le gouvernement fédéral et les provinces

##### 1. Recommandation

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### Chapitre II

#### Associations provinciales d'hôpitaux et de services de santé

##### 5. Recommandation

IL EST RECOMMANDÉ que les négociations sur le renouvellement des accords fiscaux conclus entre le gouvernement fédéral et les provinces tiennent compte des besoins en matière de santé afin de respecter les normes pré-établies dans ce domaine et ce dans toutes les régions du Canada.

### Chapitre III

#### Programme d'assurance maladie fédéral-provincial

##### 6. Recommandation

IL EST RECOMMANDÉ que soit effectuée une étude à long terme sur les besoins en main-d'œuvre spécialisée du secteur de la santé au Canada, étude qui soit réalisée par des représentants d'associations de soins de santé nationales et provinciales de même que par les autorités gouvernementales en matière de main-d'œuvre et que cette étude soit financée par les gouvernements.

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IL EST RECOMMANDÉ que les besoins en soins à long terme des Canadiens soient définis et que compte tenu du vieillissement de la population, on envisage de trouver d'autres solutions que les services de soins des malades aigus dans les traitements à long terme.



## 8. Recommandation

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L'accessibilité est menacée. Les restrictions premières, la disponibilité de la main-d'œuvre spécialisée, l'évolution rapide de la population, la régionalisation et l'imposition de frais excessif à l'utilisateur pourraient imposer des contraintes accrues et encore plus lourdes au système de prestations de soins de santé. Faute des mesures de redressement, ces facteurs risquent de réduire l'accessibilité.

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## 11. Recommandation

IL EST RECOMMANDÉ que le gouvernement fédéral évalue les effets des programmes de santé des provinces sans toutefois intervenir ni dans l'organisation ni dans le contenu de ces programmes.

## 12. Recommandation

IL EST RECOMMANDÉ que le gouvernement fédéral, parallèlement à ceux des provinces, prenne toutes les mesures nécessaires pour mettre le programme d'assurance maladie provincial-national à l'abri d'une détérioration encore plus marquée.

## Chapitre IV

### Charte de santé des canadiens

## 13. Recommandation

NOUS RECOMMANDONS que le rôle des conseils d'administration régionaux soit expliqué clairement au gouvernement et au public par des organisations dûment mandatées à cet effet.

## 14. Recommandation

NOUS RECOMMANDONS que les normes de santé soient définies à l'échelle nationale par des organismes directement mandatés à cet effet; que les gouvernements provinciaux et municipaux fixent les méthodes de rechange qui permette de respecter ces normes; que la recommandation formulée par la Commission royale d'enquête sur les services de santé en 1964, fondant les services complets devrait être actualisée de façon à refléter le besoin de répondre aux vœux de la population, par des méthodes nouvelles de tous.

**Recommandation**

NOUS RECOMMANDONS aux gouvernements de formuler des politiques plus générales en matière de santé, y compris des politiques pour la promotion de la santé et la prévention des maladies.

**16. Recommandation**

NOUS RECOMMANDONS que les récentes études effectuées sur la facturation directe à l'utilisateur soient portées à l'attention des personnes qui s'occupent de l'élaboration des politiques en matière de santé.

**17. Recommandation**

NOUS RECOMMANDONS qu'une attention spéciale soit accordée aux engagements spéciaux que prennent les hôpitaux de formation; que ces rôles supplémentaires de formation et de recherche soient décrits et reconnus par les gouvernements provinciaux; que des dispositions appropriées soient prises afin d'assurer le financement des coûts directs et indirects; que les mécanismes futurs de financement assurent la présence d'un nombre suffisant de professeurs en clinique afin de remplir dans la région l'engagement essentiel relatif aux programmes tertiaires de soins et de formation; que le programme spécial de financement pour les écoles de médecine et leurs hôpitaux de formation soit réinstauré.

**18. Recommandation**

NOUS RECOMMANDONS que les fonds soient prévus afin d'appuyer la formation continue de tous ceux qui s'occupent du secteur de la santé par l'intermédiaire d'organismes dûment mandatés à cet effet.

**19. Recommandation**

NOUS RECOMMANDONS que les gouvernements reconnaissent l'importance de la recherche en matière de santé en augmentant considérablement leur appui à ce secteur par l'entremise de leurs organismes de financement actuels et en accordant de nouveaux fonds à divers types d'études, comme l'analyse de politiques en matière de santé, et la mise sur pied de normes plus appropriées dans ce secteur. Le financement de la recherche doit être établi et fondé sur des engagements à moyen et à long terme (peut-être cinq à dix ans) afin de lever les incertitudes qui nuisent aux succès de la recherche.

**20. Recommandation**

NOUS RECOMMANDONS que les gouvernements réaffirment leur attachement aux principes suivants: l'existence de conseils d'administration régionaux, le caractère complet, la responsabilité des particuliers, l'éducation, la recherche et la rémunération du personnel de la santé tel qu'établis dans la «Charte de santé des Canadiens» et assurent la promotion d'un niveau minimum de soins comme but commun à chaque régime provincial de santé.

**Chapitre V****Normes en matière de santé****21. Recommandation**

IL EST RECOMMANDÉ d'accorder les fonds nécessaires pour la recherche en vue d'établir des normes appropriées en matière de santé ainsi que des méthodes permettant d'évaluer ces normes et, compte tenu des objectifs vise ainsi que des méthodes qu'il convient de suivre, d'affecter à cette recherche des fonds distincts de ceux allant au Conseil de recherches médicales du Canada et au Programme national de recherche et de développement en matière de santé.

## **Chapitre VI**

### **Frais d'exploitation des établissements médicaux**

#### **22. Recommandation**

IL EST RECOMMANDÉ que les gouvernements aident les établissements de soins médicaux à informer le public du coût réel des services de santé compte tenu de l'augmentation des coûts dans d'autres secteurs.

#### **23. Recommandation**

IL EST RECOMMANDÉ, afin de protéger le programme national et provincial d'assurance-hospitalisation actuellement en vigueur que le gouvernement fédéral maintienne au moins les fonds qu'il accorde au programme et qu'on conserve pendant encore cinq ans la formule de financement décrite dans la Loi de 1977 sur le financement des programmes établis.

## **Chapitre VII**

### **Conseil canadien de la santé**

#### **24. Recommandation**

IL EST RECOMMANDÉ qu'un Conseil canadien de la santé soit créé comme organe indépendant et chargé d'étudier la politique nationale en matière de soins médicaux; il serait dirigé par d'éminents représentants du secteur de la santé, du gouvernement et du public et financé par les secteurs publics et privé.



## Introduction

L'Association des hôpitaux du Canada profite de l'occasion qui lui est offerte de présenter ses observations au groupe de travail parlementaire dans le cadre de la reprise des négociations sur les mécanismes et les formules de financement prévus à la Loi de 1977 sur le financement des programmes établis.

Parmi ces «programmes établis», on trouve la Loi sur l'assurance-hospitalisation et les services diagnostiques de 1957, qui représente une décision fondamentale de politique publique visant à assurer des services d'hospitalisation au moyen d'un régime national d'assurance. Le régime d'assurance-hospitalisation est géré par les provinces, mais les critères fondamentaux en sont déterminés par le gouvernement fédéral.

La reprise des négociations à propos de la Loi sur le financement des programmes établis offre la possibilité de renforcer et d'améliorer les services de santé en institution afin de mieux répondre aux aspirations du public en matière de santé. Malheureusement, ce résultat nous semble improbable à moins que des modifications profondes ne soient apportées au processus de négociation.

Nous n'avons pas l'intention, dans ce mémoire, de reprendre l'historique de l'assurance-santé du Canada. Les différentes étapes de ce régime sont décrites dans de nombreux articles contenus dans le document: *Perspectives on Canadian Health and Social Services Policy: History and Emerging Trends*, rédigé par C. A. Meilicke et J. L. Storch et publié par Health Administration Press, Ann Arbor, Michigan, 1980. Un autre ouvrage intitulé *The Canadian Health System*, rédigé par Lee Soderstrom, publié par Croom Helm London, 1978, donne aussi un bon aperçu de la situation dans le domaine des soins de santé.

Bon nombre des observations du présent mémoire sont tirées de celui que nous avons présenté en 1979 lors de l'examen des services de santé. Elles ne vous sembleront peut-être pas tout se rapporter aux accords fiscaux, mais nous craignons qu'une réduction du financement fédéral aux provinces n'entraîne une réduction des programmes connexes au réseau de santé, des programmes essentiels au maintien des soins de qualité dont nous profitons à l'heure actuelle au Canada.

## Section 1

### Accords fiscaux entre le gouvernement fédéral et les provinces

#### (Reprise des négociations)

L'Association des hôpitaux du Canada déplore les caractéristiques suivantes de la reprise des négociations de la Loi de 1977 sur le financement des programmes établis;

1. Bien qu'une partie importante des fonds reçus en vertu du financement des programmes établis soit affectée par les gouvernements provinciaux au financement des institutions de santé, l'Association ne participe pas aux négociations entre le gouvernement fédéral et les provinces. Aucune autre association ayant reçu un mandat clair des institutions de santé ne participe à ces négociations. Cela signifie que ces dernières ont lieu sans qu'on tire profit des compétences des mandataires et des administrateurs chargés de l'administration des institutions de santé dans leur localité. Il est peu probable que des décisions prises sans l'accord de celles-ci tiennent suffisamment compte des répercussions de ces décisions.
2. Les besoins du public en matière de services de santé sont complètement oubliés dans les luttes économiques et politiques entre les deux niveaux de gouvernement. L'équilibre économique, les pouvoirs de taxation, le prestige et la constitution reçoivent beaucoup plus d'attention que les questions se rapportant à la santé des Canadiens. Dans sa déclaration préliminaire du groupe de travail, l'honorable M. MacEachen a rattaché la reprise des négociations à l'équilibre politique entre le gouvernement fédéral et les provinces. Il n'a pas fait référence aux institutions et aux associations de soins de santé qui pourraient être très durement touchées par ces négociations.
3. En règle générale, les documents utilisés dans la négociation du financement des programmes établis, ainsi que les données financières et statistiques à l'appui ne sont pas publiés. Des associations telle que la nôtre

ont plus de difficultés à consulter ces données afin d'établir leur fiabilité et leur valeur ainsi que leur rapport avec les autres sources d'information.

En 1979-1980, les institutions de santé canadiennes ont reçu \$6,6 milliards du gouvernement fédéral par l'entremise des provinces. Dans son discours sur le budget du 28 octobre 1980, le ministre fédéral des Finances a annoncé qu'il s'attend à ce que les économies comportent des réductions des paiements de transfert du gouvernement fédéral aux provinces dans les domaines qui relèvent de celles-ci. C'est dans ce contexte que l'Association de santé du Canada, se doit de présenter ses recommandations au groupe de travail parlementaire.

Les Canadiens accordent beaucoup d'importance aux soins de santé et ils laissent au gouvernement le soin de mettre en place les mécanismes de financement qui leur assureront un régime efficace de services de santé. La santé est un service essentiel à l'homme, il ne faut pas l'oublier dans la reprise des négociations.

Afin que, dans le cadre de la reprise des négociations du financement des programmes établis, les intéressés tiennent bien compte des répercussions de leurs choix politiques sur la santé des Canadiens, nous présentons les recommandations suivantes:

### **1. Recommandation**

NOUS RECOMMANDONS que toutes les rencontres portant sur les négociations du financement des programmes établis se fassent en public pour que les médias et les associations intéressés puissent y assister.

### **2. Recommandation**

NOUS RECOMMANDONS que le gouvernement fédéral et les gouvernements provinciaux accordent le statut d'observateur à l'Association des hôpitaux du Canada à toutes les réunions sur les négociations du financement établi.

### **3. Recommandation**

NOUS RECOMMANDONS que toutes les données financières et statistiques, ainsi que la documentation se rapportant aux négociations du financement des programmes établis, soient publiées.

### **4. Recommandation**

NOUS RECOMMANDONS que les ministres fédéral et provinciaux de la santé participent pleinement aux négociations qui donneront forme aux futurs programmes d'assurance-santé à frais partagés qui seront élaborés suivant les décisions prises.

## **Chapitre II**

### **Associations provinciales d'hôpitaux et de services de santé:**

### **POSITION SUR LA SITUATION FINANCIÈRE DANS LE DOMAINE DE LA SANTÉ**

(Mémoires présentés aux autorités provinciales)

Le présent chapitre donne une brève vue d'ensemble de la position des associations provinciales d'hôpitaux et de services de santé présentée à leur gouvernement respectif, au sujet des subventions et de la situation financière des établissements de santé dans leur province. Vous trouverez des exemplaires de ces mémoires joints en annexes au présent rapport.

Nous tenons aussi à réaffirmer qu'aux termes de l'Acte de l'Amérique du Nord britannique, la santé est principalement de compétence provinciale. De façon générale, les associations provinciales estiment que, quelle que soit la source de financement, des ressources financières suffisantes doivent être mises à leur disposition pour qu'elles puissent assurer des soins de santé d'un niveau d'efficacité afin de répondre aux besoins de tous les Canadiens.

Les approches ou les méthodes adoptées pour atteindre ce but ultime risquent de différer dans certaines provinces, mais il ne faut pas oublier que le rôle des gouvernements est de faciliter, par leur aide financière, le respect de normes de santé pré-établies et de permettre aux établissements de santé d'atteindre ces normes.

## 5. Recommandation

IL EST RECOMMANDÉ que les négociations sur le renouvellement des accords fiscaux conclus entre le gouvernement fédéral et les provinces tiennent compte des besoins en matière de santé afin de respecter les normes pré-établies dans ce domaine et ce, dans toutes les régions du Canada.

### A. Newfoundland Hospital Association

Les relations financières entre le gouvernement de Terre-Neuve et les établissements de santé administrés par des commissions dans cette province ont fait l'objet d'une étude par l'Association qui a présenté son rapport en juin 1980.

Le rapport portait plus précisément sur les points suivants:

- Liens entre le gouvernement et les établissements de santé;
- fiscalité et financement, des frais d'exploitation et des coûts d'immobilisation;
- budget des programmes des services;
- mécanisme d'appel;
- budget global.

Le rapport étudie la situation dans le domaine hospitalier afin de proposer un nouveau type d'association entre le gouvernement et les hôpitaux, ce qui serait à l'avantage des deux parties et, en fin de compte, de la population de Terre-Neuve.

### B. New Brunswick Hospital Association

Dans un mémoire présenté à son ministre en octobre 1979, à la suite d'une directive gouvernementale sur les restrictions budgétaires, l'Association a décrit la situation dans ses établissements membres ainsi que les répercussions des restrictions imposées à ses hôpitaux.

Dans la conclusion de son mémoire, la *New Brunswick Hospital Association* fait l'importante observation suivante:

«Les restrictions budgétaires sont en soi une politique louable, mais notre Association estime qu'il faut revoir les priorités afin de répondre aux besoins en matière de santé».

### C. Association des hôpitaux du Québec

L'Association des hôpitaux du Québec, dans un mémoire très étoffé (avril 1981), a fait état de la situation financière de ses établissements membres au ministère des Affaires sociales. La politique et les règlements de ce ministère y sont examinés, le rendement des établissements (financier et administratif) est analysé pour les six dernières années, les besoins financiers sont évalués et des conclusions et des recommandations sont formulées et appliquées.

Les établissements de santé du Québec, après avoir opéré des réductions de l'ordre de \$125 millions depuis 1976-1977, tout en se rendant compte que des économies supplémentaires seraient de plus en plus difficiles à réaliser si le niveau effectif des services de santé devait être maintenu, doivent maintenant prendre des décisions extrêmement cruciales qui se ramènent à ceci:

- Qui va financer les déficits accumulés par les établissements, déficits qui se chiffrent à \$158 millions?
- Qui va fournir les \$140 millions prévus au budget de 1981-1982 pour maintenir le niveau effectif des services de santé?
- Qui va financer les rénovations immédiatement nécessaires ainsi que l'entretien de certains centres hospitaliers anciens?
- Qui va annoncer aux patients et au public que certains services de santé doivent être réduits?

L'Association présente quatre recommandations pour inciter le gouvernement à prendre sans délai les décisions de nature à assurer aux établissements de santé un financement sain et rationnel.



#### D. Ontario Hospital Association

Au mois d'août 1978, l'*Ontario Hospital Association* a présenté un mémoire au *Select Committee on Health Care, Financing and Costs* de l'Assemblée législative de la province.

La première recommandation de son mémoire est la suivante:

L'Association estime que rien, ou presque, n'est plus important pour un individu et sa famille que sa santé. C'est pourquoi elle recommande que le gouvernement tienne compte de cette préoccupation en accordant la plus haute priorité au budget des soins de santé et à la préservation de l'excellent système hospitalier dont nous jouissons dans la province. La population a montré à de nombreuses reprises qu'elle ne tolérerait pas l'adoption de mesures politiques ou économiques qui risqueraient de compromettre gravement les services de santé auxquels elle est maintenant en droit de s'attendre. La population se fera entendre si elle estime que c'est ce qui se produit.

L'Association fait aussi des recommandations sur les sujets suivants dans le but de limiter les dépenses:

- programmes à frais partagés;
- stimulants;
- médecins «surveillants»;
- utilisation des installations «d'urgence» dans les hôpitaux;
- problèmes des hôpitaux universitaires.

Dans le dernier paragraphe de son résumé, l'Association signale ceci:

«Le gouvernement doit comprendre la situation, et dans son zèle à réduire les dépenses, il doit se méfier des décisions financières arbitraires qui risquent d'empêcher nos hôpitaux publics d'assurer les services auxquels s'attend la population. L'Association va poursuivre ses efforts, de concert avec le gouvernement, pour chercher à déterminer des secteurs où il sera raisonnable de restreindre les budgets et ceux où il faudrait l'en dissuader.

En terminant, nous aimerions attirer l'attention du Comité spécial sur la publication du rapport suivant intitulé «*The Ontario Legislative Assembly 1978 Report of the Select Committee on Health Care Financing and Costs*».

#### E. Saskatchewan Health Care Association

Cette association a présenté un mémoire à l'Association des hôpitaux canadiens sur le renouvellement des accords fiscaux entre le gouvernement fédéral et les provinces.

- Des normes nationales de santé doivent être établies et respectées;
- L'élaboration d'une formule globale de financement ne décharge pas le gouvernement fédéral de la responsabilité d'améliorer le régime de prestation des soins.

Aucun mémoire officiel sur les frais de santé ou le financement n'a été présenté par l'Association depuis trois ou quatre ans, mais régulièrement, il y a échange de renseignements entre le gouvernement et les représentants de l'Association.

#### F. Alberta Hospital Association

L'*Alberta Hospital Association* a présenté un mémoire au Comité du caucus des services sociaux et de santé du gouvernement de l'Alberta en septembre 1979. L'élément primordial du mémoire concernait la viabilité des services hospitaliers sous tutelle en Alberta. En outre, le coût de ces services a aussi été directement imputé à l'affaiblissement de l'autorité et de l'autonomie des conseils d'administration des hôpitaux.

Après avoir formulé un certain nombre de recommandations, l'Association conclut son mémoire en ces termes:

«La notion de relation contractuelle entre les deux parties avec un semblant d'égalité est intrinsèque aux recommandations précédentes. Cette notion exige une définition précise des modalités qui régissent le pouvoir et les responsabilités de chaque partie, y compris les récompenses et les pénalités liées à l'exécution des contrats avec la possibilité qu'une tierce partie puisse statuer sur de prétendues ruptures de contrat.

### G. British Columbia Health Association

En 1976, dans un montage audio-visuel, la *British Columbia Health Association* signalait que «les hôpitaux sont malades», avec faits et chiffres à l'appui. En 1979, une autre présentation intitulée «*The Realities of Hospital Care in British Columbia*» a fait une mise à pied de la situation des établissements financiers de la province.

Une étude complète des répercussions des restrictions budgétaires a été effectuée, la présentation se terminant par les deux remarques suivantes:

Les hôpitaux doivent recevoir des subventions justes et équitables pour couvrir les frais de prestation de leurs services aux citoyens de la Colombie-Britannique . . . Le public est en droit d'attendre des soins de qualité des hôpitaux et ces derniers doivent répondre à cette attente. Si le gouvernement désire réduire les services hospitaliers, le public doit en être avisé avant et des mesures doivent être prises pour l'y préparer.

La politique actuelle de financement des hôpitaux par le gouvernement ne constitue pas une approche réaliste de la réduction des coûts. Pour ce faire, le gouvernement va devoir opérer des coupures dans les services de nombreux hôpitaux et particulièrement dans nos hôpitaux universitaires et d'orientation des malades, coupures qui ne répondront absolument pas aux besoins et à l'attente du public.

Le ministère de la Santé de la Colombie-Britannique et la *British Columbia Health Hospital Association* ont aussi entrepris une étude importante intitulée *hospital Funding Program*. Le rapport du Comité de direction a été présenté en 1978 et il y est dit ceci:

«Le présent rapport constitue une évaluation complète du système actuel de financement des hôpitaux de la Colombie-Britannique et contient nos recommandations visant à y apporter des modifications rendues nécessaires par plusieurs carences décelées dans le système actuel. Nous estimons que l'application des modifications recommandées permettra non seulement d'améliorer la situation, mais aussi d'assurer un mode de financement qui répondra aux besoins des hôpitaux et du gouvernement à long terme.

### H. Hospital Association of Prince Edward Island

*Nova Scotia Association of Health Organizations*

*Manitoba Health Organizations, Inc.*

*Northwest Territories Hospital Association*

Les associations ci-dessus n'ont pas présenté de documents officiels à leur gouvernement respectif au cours des trois ou quatre dernières années, mais elles ont informé l'Association des hôpitaux canadiens qu'elles discutent avec les représentants de leur gouvernement et échangent constamment des renseignements avec eux sur le financement de leurs établissements de santé.

## Section III

### Programme d'assurance-maladie fédéral-provincial

(Étude des cinq conditions essentielles)

Le principal objectif du programme d'assurance-maladie du Canada consistait à offrir des soins de santé améliorés à l'ensemble de la population afin que les Canadiens soient en meilleure santé. Aux termes de la loi, le gouvernement fédéral versait une contribution financière aux provinces qui appliquaient des régimes d'assurance-maladie ayant les caractéristiques suivantes:

1. Couverture complète;
2. Universalité de la couverture;
3. Accessibilité raisonnable;
4. Transférabilité;
5. Administration sans but lucratif.

Nous allons voir si ces cinq conditions ont bien été respectées et quels sont leurs effets sur les établissements qui offrent des soins de santé.



### 1. Couverture complète

La nécessité de fournir une couverture complète est définie indirectement dans la *Loi sur l'assurance-hospitalisation et les services diagnostiques* et directement dans la *Loi sur les soins médicaux*. C'est une condition essentielle au régime d'assurance-maladie et elle vise les «services assurés» désignés aux termes de ces lois. La nécessité de fournir une couverture complète dans les programmes d'assurance-hospitalisation influe sur la conception du système de prestation de soins médicaux.

L'Association des hôpitaux du Canada croit que cette condition pourrait ne pas être respectée si les récentes restrictions budgétaires sont maintenues. En effet, les compressions budgétaires imposées au financement des hôpitaux pourraient en contraindre certains à renoncer à certains services ou programmes désignés comme des «services assurés». Les hôpitaux sont dans l'impasse. Ils n'ont qu'un contrôle limité sur les affectations de crédits au budget alors que la population s'attend à bénéficier de services de haute qualité et abondants sans égard aux restrictions financières.

D'autres facteurs peuvent influencer sur la fourniture d'une couverture complète, et il sera question de certains d'entre eux au chapitre de l'accessibilité raisonnable.

### 2. Universalité

L'universalité dont il est question dans la *Loi de 1967 sur les soins médicaux* fait référence à l'accès aux services de santé dont doivent bénéficier tous les résidents assurables d'une province participante selon des modalités et conditions uniformes et qui visent au moins 95% de toute la population assurable. A notre avis, cette condition est respectée.

### 3. Accessibilité raisonnable

Le programme d'assurance-hospitalisation prévoyait que l'accessibilité aux services ne devait pas être freinée par l'imposition de taux excessifs à l'utilisateur. Le rapport annuel de 1976-1977 de Santé et Bien-être social Canada affirme que nulle personne ayant besoin de soins médicaux ne doit en être privée en raison des coûts de prestation.

L'aptitude des établissements de santé à offrir les services dépend d'un certain nombre de facteurs, dont

- a) les restrictions financières imposées par les gouvernements dans la mesure où elles touchent de nouveaux programmes et de nouveaux services;
- b) la disponibilité de main-d'œuvre spécialisée, et
- c) la demande croissante de services de la part d'une population vieillissante.

En outre, l'accessibilité du particulier aux services hospitaliers est limitée en raison de

- d) la régionalisation des services, et
- e) les frais excessifs imposés à l'utilisateur

#### a) Restrictions financières

Les restrictions financières sont le plus grand obstacle à l'accessibilité. Comme il s'agit d'une question très importante, une section de ce mémoire est consacrée aux frais hospitaliers au Canada. De façon plus précise, les restrictions financières imposées par les gouvernements limitent l'accessibilité aux nouveaux programmes et services.

Le récent délaissement du système de partage des frais en faveur du financement global a conféré aux provinces une plus grande liberté dans l'établissement des nouveaux types de services de santé que chaque régime provincial pouvait offrir. Les hôpitaux, toutefois, n'ont pas dans l'ensemble bénéficié de ces nouvelles ententes de financement et ont connu une période de graves restrictions budgétaires. Parallèlement, la population demande et exige des soins de santé d'une qualité et d'une abondance qui ne vont pas en diminuant en période de restrictions financières. Les hôpitaux canadiens auront du mal à maintenir le niveau actuel de service et seront dans l'impossibilité de satisfaire à la demande croissante en nouveaux programmes et services comme les programmes de garderie en milieu psychiatrique, les cliniques de consultation gynécologique, les soins palliatifs, les cliniques de consultations pédiatriques, les programmes de services sociaux. L'accessibilité aux services existants sera menacée si les budgets hospitaliers continuent de recevoir moins de crédits qu'il n'en faut pour les maintenir, et le public n'aura évidemment pas accès aux nouveaux programmes que les hôpitaux ont été dans l'impossibilité de mettre en œuvre.



**b) Disponibilité de la main-d'œuvre spécialisée**

Pour assurer l'accessibilité aux services de santé, il faut absolument disposer d'une main-d'œuvre spécialisée suffisante. Au cours des années 80, le secteur des soins de santé aura à relever trois grands défis en matière d'effectifs:

- i) la formation d'effectifs spécialisés suffisants;
  - ii) la répartition adéquate des travailleurs de la santé, et
  - iii) la réalisation d'un juste équilibre entre les spécialistes et les médecins généralistes.
- i) Les hôpitaux étaient à l'époque un bastion d'employés féminins. La multiplication des possibilités d'emploi pour les femmes sur le marché du travail suscitera une concurrence que devront affronter les hôpitaux qui tentent de recruter du personnel compétent, notamment des infirmières. Une éventuelle pénurie de personnel infirmier spécialisé, dans certains domaines, aura de lourdes conséquences sur le coût des services hospitaliers et le niveau des soins fournis.
  - ii) La répartition équitable des travailleurs de la santé est une des préoccupations de l'Association des hôpitaux du Canada. Malgré les efforts déployés pour assurer une juste répartition des travailleurs spécialisés de la santé au Canada, il persiste toujours un problème de dotation dans certaines catégories comme les sciences infirmières, les soins néo-nataux et l'anesthésiologie. D'autre part, les exigences du travailleur de la santé se rattachent à des conditions sociales et économiques et sont de plus en plus sensibles à l'évolution des facteurs internationaux. Ce problème nécessite un examen approfondi et constant.
  - iii) Le troisième défi que pose le domaine de la main-d'œuvre spécialisée consiste en une évaluation complète des qualifications des personnes formées pour travailler dans le secteur des soins de santé. Le Canada a la bonne fortune de compter des représentants dans la plupart des spécialités du domaine de la santé, néanmoins, il subsiste un déséquilibre entre la formation des spécialistes et celle des généralistes.

**6. Recommandation**

IL EST RECOMMANDÉ que soit effectuée une étude à long terme sur les besoins en main-d'œuvre spécialisée du secteur de la santé au Canada, étude qui soit réalisée par des représentants d'association de soins de santé nationales et provinciales de même que par les autorités gouvernementales en matière de main-d'œuvre et que cette étude soit financée par les gouvernements.

**c) Population vieillissante**

L'augmentation du nombre de personnes de plus de 65 ans influera sur l'accessibilité aux services de santé. Les septuagénaires ont besoin de deux fois plus de soins hospitaliers que les quinquagénaires et quatre fois plus que les personnes dans la vingtaine. Récemment, le Conseil économique du Canada<sup>1</sup> révélait que le rapport de la population de 65 ans et plus par rapport au reste des habitants du pays était de 1 sur 12 en 1976, qu'il pourrait être de 1 sur 10 en 1986 et de 1 sur 8 en 2001. Le vieillissement de la population canadienne fera croître la demande de soins de santé.

Selon un rapport de Statistique Canada<sup>2</sup>, une personne sur cinq a reçu des soins en milieu hospitalier en 1975 et elle y serait demeurée en moyenne huit jours. Si la croissance démographique et le taux d'utilisation enregistrés en 1975 persistaient au cours de la deuxième décennie du siècle qui vient, il faudrait que tout le potentiel actuel de services de santé soit entièrement consacré aux seules personnes âgées. Il semble que l'élargissement immédiat des installations de soins des malades aigus soit nécessaire pour répondre à la demande croissante. Toutefois, grâce à une utilisation optimale du potentiel dont nous disposons dans les établissements de soins intensifs, rationalisation qui s'accompagnerait d'un redressement de la situation cahotique qui existe dans le domaine des installations de soins à long terme, comme les foyers d'accueil et les installations pour malades chroniques, notre capacité actuelle pourrait suffire jusqu'au milieu des années 80 à fournir des soins aux malades aigus.

<sup>1</sup> Jac Andre Boulet and Gilles Grevier, *Health Expenditures in Canada and the Impact of Demographic Changes on Future Government Health Insurance Program Expenditures*, document de travail n° 123, p. 11, Conseil économique du Canada, Ottawa, octobre 1978.

<sup>2</sup> L. A. Lefebvre, Z. Zsimond, M. S. Devereaux, *Hôpitaux—Horizon*, Statistique Canada.

Le rapport affirme que la planification doit débiter au cours de la présente décennie si l'on veut faire face aux augmentations prévues des besoins en espace hospitalier qui seront la conséquence des demandes de services d'une population plus âgée. L'accroissement de la population de ce groupe d'âge et la demande correspondante en services entraîneront inévitablement une hausse des coûts.

En bref, ces rapports de Statistique Canada et du Conseil économique du Canada montrent le poids des tendances démographiques sur les coûts et l'utilisation de services hospitaliers. Ils soulignent la nécessité d'étudier les moyens par lesquels le système de soins de santé pourrait s'adapter à ce phénomène démographique.

## 7. Recommandation

**IL EST RECOMMANDÉ** que les besoins en soins à long terme des Canadiens soient définis et que, compte tenu du vieillissement de la population, on envisage de trouver d'autres solutions que les services de soins des malades aigus dans les traitements à long terme.

### d) Régionalisation

Pour la majeure partie de la population, la géographie ne réduit pas vraiment l'accessibilité aux services. Les soins de santé offerts aux personnes qui habitent dans le Nord et dans les régions éloignées ont été améliorés grâce aux systèmes de transports et de télécommunications.

La centralisation a, dans de nombreux cas, amélioré la qualité et la rentabilité des services fournis dans une région. Toutefois, dans le cas des personnes résidant dans de petites collectivités, la centralisation a eu pour effet de réduire l'accessibilité aux soins de santé.

L'éloignement, le temps nécessaire aux déplacements, les problèmes de logement et la nouveauté du milieu sont des difficultés auxquelles doivent faire face les habitants des petites localités qui doivent recevoir des soins hospitaliers ailleurs. Lorsqu'un patient doit s'éloigner de sa famille et de ses amis pour recevoir des soins à long terme, sa vie familiale normale s'en trouve interrompue.

### e) Frais excessifs imposés à l'utilisateur

Les frais à l'utilisateur sont des droits exigés directement du patient pour des services en milieu hospitalier. Certaines provinces imposent des droits de ce genre et d'autres non.

Deux raisons justifient l'imposition de frais à l'utilisateur:

- 1) ils constituent une source de revenu supplémentaire
- 2) ils servent de ticket modérateur

Les organisations membres de l'Association des hôpitaux du Canada ne s'entendent pas sur l'imposition des frais à l'utilisateur. L'Association ne peut donc se permettre de se prononcer ni en faveur ni contre leur imposition.

## 8. Recommandation

**IL EST RECOMMANDÉ** qu'aucun frais ne soit directement imposé à l'utilisateur là où il existe le moindre risque que cette imposition limite indûment l'accès à des services de santé nécessaires.

L'accessibilité est menacée. Les restrictions financières, la disponibilité de la main-d'œuvre spécialisée, l'évolution rapide de la population, la régionalisation et l'imposition de frais excessifs à l'utilisateur pourraient imposer des contraintes accrues et encore plus lourdes au système de prestations de soins de santé. Faute de mesures de redressement, ces facteurs risquent de réduire l'accessibilité.

## 9. Recommandation

**IL EST RECOMMANDÉ** que la condition de l'accessibilité raisonnable soit clairement définie et que des mesures de redressement soient imposées à l'égard des facteurs qui risquent de réduire l'accessibilité aux services de santé.



#### 4. Transférabilité

Le programme d'assurance-maladie de chaque province offre aux résidents la possibilité de recourir aux services des médecins et des hôpitaux même lorsqu'ils sont temporairement absents de leur province d'origine ou lorsqu'ils déménagent d'une province à l'autre. Bien que cette condition soit respectée par toutes les provinces, certains ont du mal à faire reconnaître ce principe de la transférabilité.

C'est un système compliqué à l'intérieur duquel ni les professionnels de la santé ni les employés d'hôpitaux ne sont parvenus à expliquer clairement au public les avantages et les limites des programmes d'assurance-maladie. La population croit souvent que tous les régimes d'assurance provinciaux offrent les mêmes avantages sans frais supplémentaire ni inconvénient. En outre, une province ne peut en indemniser une autre que pour le montant correspondant au tarif qu'elle a fixé pour le service donné.

Une autre source de confusion est le statut de résident du particulier, notamment celui des étudiants qui viennent d'autres provinces, de même que la question de savoir si la province assumera une partie des dépenses engagées hors du territoire. La situation se complique lorsqu'un patient n'obtient pas toute la documentation nécessaire pour établir la nature des services qu'il a reçus, ou lorsqu'il n'a pas préalablement reçu une autorisation pour bénéficier de soins spécialisés à l'extérieur de la province. En outre, lorsqu'un patient d'une province a assumé des frais additionnels pour des services de santé reçus dans une autre province, il en résulte souvent de longues échéances de remboursement parce qu'il se produit entre les deux provinces des différends qui doivent être réglés au niveau fédéral-provincial.

En bref, le régime de soins de santé au Canada consiste en vérité en dix programmes provinciaux, chacun offrant sa propre gamme de services. La condition de transférabilité est bien respectée par toutes les provinces. Ce système fait tout de même obstacle à la réciprocité entre provinces et entraîne souvent des dépenses additionnelles pour le patient, ce qui est une cause de tracas financiers et personnels. Pour éviter ces problèmes, cette condition devra être plus clairement définie à l'intention du public.

#### 10. Recommandation

IL EST RECOMMANDÉ que la condition de transférabilité soit définie plus clairement à l'intention de la population; qu'un système simplifié de traitement des demandes de remboursement entre provinces soit élaboré sur le modèle d'un centre national de compensation; que le public soit bien mis au courant de la gamme des services offerts dans d'autres provinces et qui sont couverts par le régime d'assurance de la leur ainsi que des limites (le cas échéant) des indemnités prévues pour les services assurés; et enfin qu'un réseau téléphonique national gratuit soit mis en place pour répondre aux demandes des services des personnes blessées ou malades qui voyagent.

#### 5. Administration sans but lucratif

L'administration sans but lucratif est prévue aux termes de la *Loi de 1967 sur les soins médicaux* et vise aussi le programme d'assurance-hospitalisation. Il n'y a lieu de s'inquiéter du respect de la condition de l'administration sans but lucratif que si des dépenses additionnelles sont engagées par une bureaucratie inutilement lourde au sein de l'administration.

La Charte de santé des Canadiens publiée dans le rapport de la Commission royale d'enquête sur les services de santé de 1974 a servi de modèle aux programmes d'assurance-maladie au Canada. Elle recommandait l'établissement d'un «Régime de services de santé complet et universel pour la population canadienne». Les principes fondamentaux de couverture complète et d'universalité y étaient définis:

«Complet» comprend tous les services de santé, de prévention, de diagnostic, de traitement et de réhabilitation que les sciences médicales et autres de notre époque peuvent fournir.

«Universel» signifie que des services de santé convenables seront accessibles à tous les Canadiens, où qu'ils habitent et quelle que soit leur situation financière, dans le cadre des limites imposées par les facteurs géographiques.

Les conditions d'universalité, de transférabilité et d'administration publique sont bien définies dans la Loi et sont respectées. Toutefois, celles de couverture complète et d'accessibilité raisonnable représentent chacune un tout et sont plus difficiles à cerner. Avant la Loi de 1977 sur le financement des programmes établis, la couverture complète était définie comme la liste de services constamment remise à jour des services que les provinces et le gouvernement fédéral acceptaient d'assurer selon une entente de partage des frais. Avec le



partage des frais, a aussi disparu le mécanisme qui garantissait à tous les Canadiens l'accès à des soins de santé minimaux.

L'Association des hôpitaux du Canada estime que les conditions de couverture complète et d'accessibilité raisonnable sont menacées. Pour mettre fin à cette détérioration, le gouvernement fédéral devrait affirmer son rôle de surveillant des programmes d'assurance-maladie à l'échelle nationale. Il ne doit pas revenir toutefois aux anciens mécanismes de partage des frais, mais surveiller plutôt les effets des programmes de santé provinciaux sans participer ni à leur organisation ni à leur contenu. Il pourrait imposer de nouvelles conditions s'appuyant sur la surveillance de l'état de santé des Canadiens plutôt que sur la définition d'un nouveau contenu des programmes.

#### **11. Recommandation**

IL EST RECOMMANDÉ que le gouvernement fédéral évalue les effets des programmes de santé des provinces sans toutefois intervenir ni dans l'organisation ni dans le contenu de ces programmes.

#### **12. Recommandation**

IL EST RECOMMANDÉ que le gouvernement fédéral, parallèlement à ceux des provinces, prenne toutes les mesures nécessaires pour mettre le programme d'assurance-maladie provincial-national à l'abri d'une détérioration encore plus marquée.

### **Section IV**

#### **Charte de santé des Canadiens**

##### **(Établissements de soins)**

«La réalisation des normes de santé les plus élevées au bénéfice de notre population peut devenir un objectif premier de la politique nationale et un secteur de cohésion qui contribuera à cimenter l'unité nationale, en faisant appel au sens des responsabilités et à l'action des particuliers et de la communauté. Le mieux à faire pour réaliser cet objectif est d'établir un Régime de services de santé complet et universel pour la population canadienne».

«Charte de santé des Canadiens»

Commission royale d'enquête  
sur les services de santé

La présente section traite de plusieurs concepts de base qu'on retrouve dans la «Charte de santé des Canadiens»<sup>1</sup> tels que:

1. les conseils d'administration régionaux indépendants
2. le caractère complet
3. la responsabilité individuelle
4. l'éducation
5. la recherche
6. la rémunération du personnel de la santé.

##### **1. Les conseils d'administration régionaux indépendants**

«Par «professions et institutions libres et autonomes» . . . et pour ce qui est des hôpitaux, (cela signifie) l'absence de contrôle ou de domination politique et l'encouragement à s'administrer sur le plan local.»

«Charte de santé des Canadiens»

Un des grands principes qui a guidé l'expansion du Canada est celui de la détermination ou de l'autonomie régionale. La notion de l'autonomie régionale tient une grande place dans le système de santé. Les conseils

<sup>1</sup> Commission royale d'enquête sur les services de santé—1964, volume 1, Imprimeur de la Reine, Ottawa, p. 12.

d'administration des établissements de soins sont formés de membres bénévoles de la collectivité qui sont chargés, dans l'ensemble, de diriger ces établissements. Ces conseils formulent des politiques afin de répondre aux besoins de leur collectivité en matière de santé.

Cette méthode d'administration du secteur de la santé fait la force du système national de santé. La haute qualité des services de santé peut être en grande partie attribuée à l'orientation donnée par ces administrateurs bénévoles dans chaque collectivité.

Les administrateurs sont responsables à la fois sur le plan juridique et moral, des établissements de soins dont ils ont la charge. Cette responsabilité est mal comprise par le gouvernement et, parfois, par le public. L'évolution et les tendances de la politique en matière de santé ont remis en question l'autonomie des conseils d'administration.

Qu'ils soient chevronnés ou non, les administrateurs devraient avoir accès à une certaine formation aujourd'hui nécessaire en raison de la complexité toujours croissante des services hospitaliers, des relations de l'institution avec la collectivité qu'elle dessert et des méthodes modernes de financement utilisées pour ses programmes. Les administrateurs devraient recevoir une orientation quant à leur rôle, suivie, au besoin, de programmes de formation permanente.

Bien que les principes de base de la «Charte de santé des Canadiens» doivent être développés et mis en œuvre de façon surveillée, à l'échelle nationale, ce sont les conseils d'administration régionaux qui sont chargés d'en faire l'application concrète dans leurs établissements.

Même si la «Charte» stipule que les hôpitaux doivent être exempts de tout contrôle et de toute domination politique et être encouragés à s'administrer sur le plan local, l'évolution et les tendances que connaît la politique en matière de santé ont jeté une ombre sur l'autonomie des conseils d'administration.

### 13. Recommandation

NOUS RECOMMANDONS que le rôle des conseils d'administration régionaux soit expliqué clairement au gouvernement et au public par des organisations dûment mandatées à cet effet.

#### 2. Caractère complet

«Complet» comprend tous les services de santé, de prévention, de diagnostic, de traitement et de réhabilitation que les sciences médicales et autres de notre époque peuvent fournir».

«Charte de santé des Canadiens»

Le rapport de la Commission royale d'enquête sur les services de santé fournit un plan pour les différents services de santé qui pourraient être offerts dans toutes les provinces. La Commission espérait qu'une telle liste aiderait chaque province à définir et à mettre en œuvre un programme complet des services de santé fondé sur les besoins de la province. Depuis, de nouveaux services ont été mis sur pied tels que des services de chirurgie externe, des services de soins assurés par la famille des malades, des cliniques spéciales pour des patients souffrant de difficultés d'apprentissage, des cliniques multidisciplinaires pour les nouveaux-nés présentant des risques élevés de mortalité et pour les handicapés. Ainsi, les types de services décrits dans le rapport de la Commission royale d'enquête étaient appropriés en 1964, mais les responsables de la formulation des politiques en matière de santé devraient tenir compte des nouvelles tendances du secteur des services et de l'attente du public à cet égard.

### 14. Recommandation

NOUS RECOMMANDONS que les normes de santé soient définies à l'échelle nationale par des organismes dûment mandatés à cet effet; que les gouvernements provinciaux et municipaux fixent les méthodes de rechange qui permettront de respecter ces normes; que la recommandation formulée par la Commission royale d'enquête sur les services de santé en 1964, touchant les services complets devrait être actualisée de façon à refléter le besoin de répondre aux vœux de la population, par des méthodes nouvelles de soins.

### 3. Responsabilité des particuliers

«... réalisé avec la collaboration entière du public, ... Collaboration entière signifie la responsabilité de chacun d'observer de bonnes règles d'hygiène et d'utiliser à bon escient les services de santé qui lui sont accessibles.»

«Charte de santé des Canadiens»

#### a) Promotion de la santé—Prévention des maladies

Les principes exposés dans la Charte de santé des Canadiens garantissent à chacun le droit aux services de santé, mais n'écartent pas la responsabilité individuelle en ce qui a trait à l'observation de bonnes règles d'hygiène. Ces principes ne peuvent être sauvegardés que si l'on n'abuse pas de ces services.

Les hôpitaux ont aidé les particuliers à assumer cette responsabilité au moyen de programmes d'éducation du patient, des programmes de sélection et des programmes de formation en matière de santé à l'échelle de la collectivité. Néanmoins, le rôle premier de l'hôpital est de soigner et très peu d'argent peut être consacré à la promotion de la santé et la prévention des maladies.

Au cours des années 50 et 60, tout le monde pensait que le traitement curatif était une panacée. Dans les années 70, on a assisté à l'éveil de la conscience publique envers l'éducation de la collectivité en matière de santé et de la promotion de la santé. Cette nouvelle prise de conscience a mis l'accent sur la prévention des maladies et le besoin pour les particuliers d'être responsables de leur propre mode de vie. Toutefois, les mesures en vue de promouvoir la santé et prévenir les maladies ne sont pas la seule solution. Nous avons besoin d'une politique plus générale en ce domaine qui engloberait les secteurs du bien-être social et de l'éducation.

## 15. Recommandation

NOUS RECOMMANDONS aux gouvernements de formuler des politiques plus générales en matière de santé, y compris des politiques pour la promotion de la santé et la prévention des maladies.

#### b) Mauvais usage des services

On se demande si l'on ne fait pas un mauvais usage des services offerts par les établissements de soins. Certains ont dit que les services sont utilisés à d'autres fins que celles qu'on leur avait fixés; par exemple, le recours aux services d'urgence plutôt qu'au médecin et l'hospitalisation prolongée du malade chronique qui ne sait où aller. Un système de facturation directe a été mis en œuvre pour enrayer cet état de choses dans certaines régions du pays.

Les auteurs d'une récente étude parrainée par le Conseil économique de l'Ontario<sup>1</sup> étudient l'argument voulant qu'un des moyens de restreindre les coûts du secteur de la santé consiste à renseigner le patient sur le coût des soins qu'il reçoit.

«L'argument a deux volets. Tout d'abord, on dit qu'une bonne partie des soins que réclame le patient de son propre gré, n'est pas «nécessaire», ce qu'on pourrait décourager en faisant appel à la facturation directe. Puis, on suggère souvent que les particuliers devraient assumer une plus grande responsabilité personnelle pour leur santé en apportant des changements préventifs à leur mode de vie et qu'ils devraient moins compter sur la profession médicale; ce changement pourrait être encouragé par la facturation directe aux utilisateurs des services médicaux.»

«Toutefois, après une étude plus approfondie, nous constatons que l'argument ne tient pas facilement debout. Il y a peu d'indices, sinon aucun, qui permettent de dire que ce sont les patients qui prennent généralement la décision d'utiliser des services plus ou moins nécessaires et (par voie de conséquence) il n'y a aucune preuve que les coûts pourraient les dissuader d'y recourir. Ainsi, bien qu'il y ait peut-être de bonnes raisons d'établir un système de facturation directe, une analyse de ces raisons aboutit aux mêmes conclusions, à savoir: que l'utilisation des services nécessaires peut être découragée; que les dépenses globales dans le secteur de la santé ne diminueront que très peu, sinon du tout, et qu'il y a peu de raisons

<sup>1</sup> M. L. Barer, R. G. Evans, G. L. Stoddart, *Controlling Health Care Costs by Direct Charges to Patients: Snare or Delusion?* Ontario Economic Council, Occasional Paper 10, 1979, p. VIII.



de croire qu'une facturation directe pour l'utilisation des services de santé permettrait d'encourager les soins préventifs. De plus, le fait de décourager quelqu'un de recourir aux services de santé ne suffit pas à réduire l'utilisation de ces services, puisque ceux qui offrent ces soins pourraient encourager le public à faire appel à ces services, ce qui neutraliserait toute économie.

## 16. Recommandation

NOUS RECOMMANDONS que les récentes études effectuées sur les facturation directe à l'utilisateur soient portées à l'attention des personnes qui s'occupent de l'élaboration des politiques en matière de santé.

### 4. Éducation

«Collaboration entière» signifie la fourniture des facilités d'éducation du plus haut niveau et l'élimination des obstacles financiers à l'instruction et à la formation afin de permettre à tous ceux qui sont aptes et qui le désirent d'exercer une carrière dans les services de la santé.»

«Charte de santé des Canadiens»

#### a) Hôpitaux de formation

Les hôpitaux de formation canadiens ont la lourde charge de disperser l'enseignement et la formation pratique aux étudiants en médecine au niveau du baccalauréat, aux internes et aux résidents ainsi qu'aux étudiants des autres professions du secteur de la santé.

Une telle expérience est nécessaire à la formation de l'étudiant et ne peut pas être offerte en d'autres milieux. Pour offrir une formation de qualité, les hôpitaux de formation doivent faire face à des demandes sans pareil dont les coûts ne se reflètent pas dans les budgets des autres hôpitaux. On devrait tenir compte des engagements spéciaux que prennent les hôpitaux de formation de fournir les appareils et les installations de pointe pour le traitement et le diagnostic ainsi que des programmes spéciaux de formation.

La majorité des hôpitaux de formation participent activement à des programmes tertiaires de diagnostics et de soins aux malades ainsi qu'à des programmes auxiliaires biologiques. Ces hôpitaux ont beaucoup de mal à attirer et à garder à leur service des médecins qualifiés pour s'occuper de ces programmes, de plus, les engagements connexes dans le secteur de la formation sont liés à la disponibilité des enseignants à la fois à plein temps et à temps partiel dans la région. De tels emplois sont habituellement rémunérés à la fois par l'école de médecine et par l'hôpital, qui partagent aussi les frais d'équipement des bureaux et du personnel de soutien. Des réductions budgétaires suivies entraînent de graves problèmes de recrutement ce qui met sérieusement en danger les programmes de soins tertiaires et les programmes de formation.

Le rôle de l'hôpital de formation se retrouve aussi bien à l'échelle provinciale qu'à l'échelle nationale, et le financement global ne doit pas être assumé par la collectivité où se trouve l'hôpital. Tout comme le Canada a eu besoin de nouvelles installations financées par la Caisse d'aide à la santé afin de recruter des médecins pour le programme national d'assurance maladie, un financement est également nécessaire afin d'assurer le maintien des programmes de formation médicale à l'avenir.

## 17. Recommandation

NOUS RECOMMANDONS qu'une attention spéciale soit accordée aux engagements spéciaux que prennent les hôpitaux de formation; que ces rôles supplémentaires de formation et de recherche soient décrits et reconnus par les gouvernements provinciaux; que des dispositions appropriées soient prises afin d'assurer le financement des coûts directs et indirects; que les futurs mécanismes de financement assurent la présence d'un nombre suffisant de professeurs en clinique afin de remplir, dans la région, l'engagement essentiel relatif aux programmes tertiaires de soins et de formation; que le programme spécial de financement pour les écoles de médecine et leurs hôpitaux de formation soit réinstauré.

#### b) L'éducation permanente

Alors que la Charte de santé pour les Canadiens recommande l'éducation préparatoire pour le personnel du secteur de la santé, il y a d'autres aspects de la formation qui doivent être appuyés si l'on veut obtenir un système de soins de haute qualité; par exemple, il faudrait perfectionner le personnel affecté aux travaux

d'administration et de soins cliniques, assurer la formation des adultes en ce qui a trait à la promotion de la santé et la prévention des maladies. Ces programmes doivent être développés de façon efficace pour que le système de santé puisse s'adapter à l'évolution constante des tendances et des besoins.

Les programmes d'éducation sont souvent jugés comme un luxe dans les budgets de santé et, lorsqu'il existent, sont les premières victimes de réductions en périodes de restrictions budgétaires. La réduction des programmes entraîne une baisse du dévouement, du moral et du niveau global d'initiative du personnel. Des cours de perfectionnement stimulent la participation de l'employé dans les nouveaux programmes des hôpitaux et encouragent la créativité dans les programmes déjà en cours.

## 18. Recommandation

NOUS RECOMMANDONS que des fonds soient prévus afin d'appuyer la formation continue de tous ceux qui s'occupent du secteur de la santé par l'intermédiaire d'organismes dûment mandatés à cet effet.

### 5. Recherche

Tous les types de recherche dans le secteur de la santé au Canada ne sont pas suffisamment financés. Ces travaux de recherche portent sur les sciences de base de la santé et les sciences cliniques qui étaient financés habituellement par le Conseil de recherches médicales (CRM) et la recherche plus appliquée, comme la recherche épidémiologique et celle portant sur des systèmes de santé, qui faisaient partie du Programme national de recherche et de développement en matière de santé (P.N.R.D.S.). L'Association des hôpitaux du Canada s'inquiète du faible appui et de l'absence d'engagements à moyen et à long terme dans le secteur de la recherche en matière de santé. Le faible appui accordé à ce domaine a restreint le nombre des travaux de recherche et leur portée et a fait du Canada un pays qui dépend de plus en plus, à cet égard, de l'importation de connaissance et de techniques étrangères.

La nature sporadique du financement de la recherche dans le secteur de la santé, comme en font foi les restrictions des allocations accordées au CRM compte tenu du haut niveau d'inflation, et les réductions budgétaires imposées récemment aux P.N.R.D.S., rendent la tâche difficile aux chercheurs canadiens dans ce secteur lorsqu'ils en viennent à planifier leur travail. Il est devenu impossible de conserver un nombre critique d'experts dans les équipes de recherche, ce qui est un prérequis au succès de toute recherche entreprise dans un secteur multidisciplinaire. Finalement, le caractère incertain entourant le financement de la recherche a fait de ce secteur une carrière peu intéressante. Alors que les chercheurs actuels se démènent pour survivre dans le climat actuel, les chercheurs éventuels éviteront le secteur de la recherche en matière de santé, entraînant ainsi une pénurie sérieuse d'experts pour répondre aux besoins futurs.

## 19. Recommandation

NOUS RECOMMANDONS que les gouvernements reconnaissent l'importance de la recherche en matière de santé en augmentant considérablement leur appui à ce secteur par l'entremise de leurs organismes de financement actuels et en accordant de nouveaux fonds à divers types d'études, comme l'analyse de politiques en matière de santé, et la mise sur pied de normes plus appropriées dans ce secteur. Le financement de la recherche doit être établi et fondé sur des engagements à moyen et à long terme (peut-être cinq à dix ans) afin de lever les incertitudes qui nuisent au succès de la recherche.

### 6. Rémunération des employés du secteur de la santé

«Collaboration entière» signifie que les méthodes de rémunération du personnel de la santé—honoraires, salaires ou autres formes de rétribution—et les tarifs doivent être convenus par les associations professionnelles et les organismes administratifs, et non par décision arbitraire, avec pouvoir d'en appeler en cas d'incapacité de s'entendre.»

«Charte de santé des Canadiens»

Ces dernières années, des conflits sont nés au cours de négociations, entre le personnel de la santé, les établissements de soins et les organismes administratifs chargés de rémunérer le personnel. Des procédures d'arbitrage appropriées n'ont pas été mises sur pied et de nouvelles façons d'aborder la question devront être établies.



### Conclusion: Charte de santé des Canadiens

Dès la naissance de la nation canadienne le gouvernement fédéral a cherché à assurer une qualité de vie et des perspectives égales à tous les Canadiens. Dans le secteur de la santé, on a cherché à atteindre ces objectifs en établissant des lois précises: la *Loi sur l'assurance-hospitalisation et les services diagnostiques* (1957) et le *Loi sur les soins médicaux*, (1967). Les objectifs fixés dans la Charte de santé des Canadiens n'ont pas été tout à fait respectés ou réalisés. On doit remédier à ces lacunes sans tarder, dans le contexte de l'évolution constitutionnelle et politique du pays.

## 20. Recommandation

NOUS RECOMMANDONS que les gouvernements réaffirment leur attachement aux principes suivants: l'existence de conseils d'administration régionaux, le caractère complet, la responsabilité des particuliers, l'éducation, la recherche et la rémunération du personnel de la santé tel qu'établi dans la «Charte de santé des Canadiens» et assurent la promotion d'un niveau minimum de soins comme but commun à chaque régime provincial de santé.

## PARTIE V

### Normes en matière de santé

(à défaut d'une définition du contenu des programmes)

La présente étude sur le programme national d'assurance-hospitalisation souligne la nécessité d'adopter, à l'échelon national, une politique claire en matière de santé. Il convient de réaffirmer les principes fondamentaux du programme national d'assurance-hospitalisation ainsi que la «Charte de santé des Canadiens». Toutefois, cette profession de foi ne peut se concrétiser que par l'adoption, au plan national, de normes convenables en matière de santé.

L'adoption de normes nationales s'impose afin d'évaluer l'incidence des dépenses engagées par le gouvernement dans le domaine de la santé, ce qui permettra d'ailleurs d'établir dans quelle mesure théorie et pratique se concilient au Canada dans le domaine de la santé.

En vertu des accords de partage des frais relatifs aux programmes de santé, le gouvernement fédéral a déterminé, dans une certaine mesure, l'évolution des soins médicaux offerts aux Canadiens par l'intermédiaire de mécanismes lui permettant de choisir les services du financement desquels il souhaitait participer. Ainsi, de nombreux types de soins hospitaliers font l'objet d'accords de partage des frais, mais non les soins en maison de repos. Dans la plupart des cas, le gouvernement partage les frais de financement des services offerts par les médecins, mais non par les dentistes.

L'offre fait par le gouvernement fédéral de financer une grande partie des services de santé était trop alléchante pour que les gouvernements provinciaux la rejettent; c'est ainsi que conditions de financement et définitions des services à frais partagés sont devenus les normes minimales en matière de santé. L'Association des hôpitaux du Canada souligne que jusqu'alors les normes avaient été établies en fonction de considérations financières, de la définition des services approuvés et de l'évaluation de la quantité de services offerts en vertu des programmes provinciaux en matière de santé. Nous appellerons ces normes précédentes les «normes au chapitre du financement et de la contribution».

L'une des raisons pour lesquelles les provinces ont accepté les récents accords fiscaux conclus en vertu de la *Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces et sur le financement des programmes établis* a été qu'ils reconnaissaient certaines priorités en matière de programmes de santé pour répondre aux besoins spécifiques de chaque province. Comme le FPE a permis aux provinces de dresser elles-mêmes leur budget en matière de soins médicaux et même de déterminer les crédits allant aux programmes de santé par rapport à d'autres programmes provinciaux, il n'existe plus de mécanisme permettant d'assurer que chaque province respecte des normes minimales en matière de santé. L'Association des hôpitaux du Canada est convaincue que le gouvernement fédéral a le devoir de surveiller l'application de normes nationales en matière de santé.



Il se peut qu'au tout début du régime d'assurance-hospitalisation il ait été nécessaire d'établir ces normes traditionnelles au chapitre du financement et de la contribution issues des accords de partage des frais, mais il convient maintenant de remplacer ces normes par des outils qui permettront au gouvernement fédéral de mieux jouer son nouveau rôle. Les nouvelles normes doivent comporter un énoncé des niveaux minimaux acceptables en matière de services médicaux dans chaque province. Au lieu de laisser toute latitude aux provinces dans ce domaine, le gouvernement fédéral doit se doter des outils qui lui permettront d'assumer ses nouvelles responsabilités. Le degré d'adhérence des provinces aux nouvelles normes doit s'évaluer à la lumière des résultats obtenus en ce qui est de l'amélioration des soins médicaux et non en fonction d'une liste des services obligatoires minimaux qui ne ferait que fausser, encore une fois, les priorités des programmes provinciaux.

### **Évaluation des normes en matière de santé**

Il sera difficile aux gouvernements fédéral et provinciaux de s'entendre sur des normes en matière de santé. Il convient, avant toute chose, de définir les normes elles-mêmes, ce qui ne peut être fait qu'en concertant les efforts consentis au plan de la recherche.

Aucun niveau de gouvernement n'a accordé les fonds voulus à la recherche dans le domaine de la santé. Au cours des dernières années, les crédits affectés à la recherche dans le budget fédéral ont diminué, à tel point qu'il est impossible aux équipes de recherches médicales de poursuivre leurs travaux et à d'autres chercheurs d'entamer des projets innovatifs et prometteurs.

Les fonds manquent pour la recherche dans des domaines comme les systèmes d'information, le système de mesure de la charge de travail et les normes comptables pour lesquels il faut établir des méthodes assez différentes des méthodes traditionnelles utilisées pour étudier les épidémies.

La réduction des fonds alloués à la recherche en période de restrictions budgétaires est quelque peu paradoxale. Les travaux de recherche qui sont délaissés aujourd'hui sont ceux-là même qui pourraient permettre d'améliorer et de rentabiliser les programmes de soins médicaux au Canada.

### **Conclusion: Normes en matière de santé**

L'Association des hôpitaux du Canada reconnaît la nécessité d'accorder des fonds adéquats au Conseil de recherches médicales du Canada ainsi qu'au Programme national de recherche et de développement en matière de la santé, mais elle soutient également que des fonds supplémentaires doivent être alloués pour la recherche afin de mettre au point des méthodes permettant d'évaluer les résultats du programme des services de santé au Canada. L'une des priorités qu'il convient de se fixer en matière de recherches médicales est de créer une base de données appropriée sur les établissements médicaux permettant de comparer les évaluations cliniques, statistiques et financières sur le rendement de ces établissements à l'amélioration obtenue dans ce domaine.

## **21. Recommandation**

IL EST RECOMMANDÉ d'accorder les fonds nécessaires pour la recherche en vue d'établir des normes appropriées en matière de santé ainsi que des méthodes permettant d'évaluer ces normes et, compte tenu des objectifs visés ainsi que des méthodes qu'il convient de suivre, d'affecter à cette recherche des fonds distincts de ceux allant au Conseil de recherches médicales du Canada et au Programme national de recherche et de développement en matière de santé.

## **PARTIE VI**

### **Frais d'exploitation des établissements médicaux**

(Nécessité de maintenir l'aide financière dans ce domaine)

Au cours de la dernière décennie, on a sévèrement critiqué l'augmentation fulgurante des frais d'exploitation du secteur hospitalier. La plupart de ces critiques sont venues d'hommes politiques et de bureaucrates qui ont publiquement reproché aux hôpitaux l'escalade de leurs frais d'exploitation. L'Association des hôpitaux du Canada juge que ces critiques superficielles et injustifiées ont faussé la perception que se fait le public du secteur hospitalier.

Il ressort des renseignements dont on dispose maintenant qu'on maîtrise bien l'augmentation des frais d'exploitation de l'industrie hospitalière. Ces derniers croissent d'ailleurs à un rythme plus lent que les autres dépenses du gouvernement et que celles du secteur privé. Les associations représentant les hôpitaux et les organismes de santé sont convaincues qu'il sera possible de continuer de maîtriser l'augmentation des frais des soins médicaux grâce aux innovations technologiques dans le domaine de la santé, comme par exemple de meilleurs techniques de traitement, des structures organisationnelles plus efficaces, des systèmes de prestation des soins plus rentables et de meilleurs soins préventifs.

L'Association des hôpitaux du Canada accompagne ses commentaires sur le coût des soins hospitaliers au Canada d'un important avertissement. Toutes les données dont on dispose aujourd'hui sur les frais d'exploitation et d'utilisation ne portent pas sur la qualité, toute analyse des frais d'exploitation dans le domaine de la santé doit se limiter à l'étude des intrants. Toute conclusion doit être empreinte de prudence.

Il faut tenir compte, dans l'étude des frais d'exploitation des hôpitaux, des frais de personnel qui représentent de 70 à 75 p. 100 des frais d'exploitation totaux des hôpitaux. Les traitements des employés du secteur hospitalier ont augmenté considérablement de 1970 à 1977. Compte tenu des augmentations dues au coût de la vie, toutes les catégories d'employés de ce secteur ont obtenu des augmentations nettes de traitement pendant cette période. Les traitements des employés du secteur hospitalier ont augmenté plus rapidement que ceux des employés d'autres secteurs. L'augmentation relative de ces traitements a d'ailleurs été la plus rapide au cours de 1974-1975. Depuis lors, le revenu des employés des autres secteurs de l'économie a augmenté plus rapidement.

### Frais d'exploitation totaux

Compte tenu du fait qu'une partie aussi importante des frais totaux des hôpitaux sont imputables aux frais de personnel, il n'est pas surprenant que les coûts totaux reflètent les augmentations de traitement accordées dans ce secteur. De 1970 à 1977, les frais d'exploitation totaux des hôpitaux sont passés de 3.6% à 3.79% du PNB, soit une augmentation relative de seulement 4.9%<sup>1</sup>. Cette augmentation, survenue au début de la décennie, est demeurée constante et est même quelque peu tombée en 1976 et 1977.

Au plan international, le coût des services de santé au Canada en tant que pourcentage du PNB est moins élevé que dans tous les autres pays industrialisés du monde.

En mai 1978, M. le Juge Hall affirmait:

«C'est à la lumière de ces chiffres que les Canadiens doivent juger si le coût des soins médicaux grève l'économie. Ils doivent se rendre compte que les hôpitaux et les employés du secteur hospitalier en général sont des boucs émissaires, car on les blâme pour l'augmentation effrénée des dépenses de tous les niveaux de gouvernement lorsque la plupart des secteurs ont obtenu des augmentations beaucoup plus grandes en pourcentage.»<sup>2</sup>

L'Association des hôpitaux du Canada juge que ces critiques virulentes contre les hôpitaux n'étaient pas fondées. Toutefois, elles ont eu comme conséquence positive de forcer les hôpitaux à réévaluer leurs méthodes d'exploitation et à chercher à réduire leurs coûts tout en maintenant des niveaux acceptables de soins. Les programmes de réduction des coûts dans les hôpitaux ont comporté l'application de nouvelles méthodes administratives, l'adoption de technologies plus rentables, l'ajustement aux restrictions en matière de main-d'œuvre, la mise en œuvre des programmes d'amélioration de la productivité et l'implantation de programmes de soins externes et de soins à domicile.

Le succès avec lequel les hôpitaux se sont adaptés aux changements leur a permis de maintenir leurs frais d'exploitation à un niveau raisonnable. Néanmoins, les hôpitaux ne devraient pas franchir certaines limites à cet égard compte tenu de l'absence de méthodes permettant d'évaluer les avantages des innovations futures. Les programmes de réduction des coûts qui seront appliqués dans l'avenir ne doivent pas nuire à la qualité des soins offerts dans les établissements médicaux.

<sup>1</sup> Section des frais médicaux, Division de l'information dans le domaine de la santé, Politiques, planification et information, Santé, et Bien-être Canada.

<sup>2</sup> Cours en gestion et en organisation des soins en matière de santé, Association des hôpitaux du Canada, 18 mai 1979.



La population considère les hôpitaux et les soins médicaux en général comme des services extrêmement importants. Dans l'avenir, les dépenses en matière de santé doivent se fonder sur des renseignements qui tiennent compte non seulement des données d'utilisation (quantité), mais aussi des données cliniques (qualité). Au cours des trente dernières années, on s'est attaché à construire de nouveaux établissements et à mettre en œuvre des programmes nationaux d'assurance-hospitalisation. Il conviendrait de se fixer comme priorité au cours des vingt prochaines années de mettre en œuvre des méthodes d'évaluation permettant d'établir le rendement des investissements consentis dans le secteur hospitalier et le domaine des soins médicaux.

Par ailleurs, les hôpitaux ne se sont pas suffisamment battus pour faire reconnaître la qualité des services qu'ils rendent dans des conditions difficiles. Ces derniers doivent informer plus activement le public au sujet des changements qu'ils adoptent pour faire face aux conditions nouvelles.

## 22. Recommandation

IL EST RECOMMANDÉ que les gouvernements aident les établissements de soins médicaux à informer le public du coût réel des services de santé compte tenu de l'augmentation des coûts dans d'autres secteurs.

L'Association des hôpitaux du Canada est consciente de l'importante aide financière que le gouvernement fédéral accorde actuellement aux provinces pour les aider à défrayer les coûts d'exploitation des programmes d'assurance-hospitalisation.

Dans le chapitre intitulé «From Shared Cost to Block Funding and Beyond: The Politics of Health Insurance in Canada» par R. J. Van Loon<sup>1</sup>, la partie sur les programmes de santé et l'application du fédéralisme fiscal décrit en détail les principes sous-jacents au fédéralisme dans ce domaine.

M. G. E. Carter étudie de façon exhaustive la Loi actuelle sur le financement des programmes établis dans un article intitulé «Financing Health and Post-Secondary Education: A New and Complex Fiscal Arrangement»<sup>2</sup>. M. Carter conclut son article de la façon suivante:

«Les nouveaux accords relatifs au financement des programmes de santé et d'enseignement supérieur constituent un progrès important dans les relations fiscales inter-gouvernementales. Les accords de partage des frais (les subventions conditionnelles), dont les lacunes sont évidentes au plan de la conception et de l'administration, ont perdu toute crédibilité comme instruments fiscaux. Tant la disposition sur l'option de dérogation obtenue par le Québec en 1965 que l'accord sur l'enseignement postsecondaire conclu deux ans plus tard présageaient l'adoption du nouveau concept du financement des programmes «établis».

En théorie, le gouvernement permettrait aux provinces d'assumer la pleine responsabilité financière des programmes en leur accordant un transfert de l'espace fiscal pertinent. Mais cette méthode évidente qui s'impose d'elle-même (d'ailleurs beaucoup plus simple) a été rejetée pour deux raisons importantes. Premièrement, le gouvernement fédéral maintiendrait sa présence par l'entremise des subventions en espèce (même si celles-ci n'ont aucun rapport avec le coût véritable des programmes). Les normes nationales élevées fixées en matière de soins médicaux pourraient être imputables à plusieurs objectifs fédéraux précis. Deuxièmement, il était improbable que la majorité des provinces accepte l'ensemble de la contribution fédérale sous forme de transfert fiscal. Après tout, un nombre uniforme de points fiscaux rapportent des revenus très inégaux d'une province à l'autre. En effet, l'une des principales lacunes du programme que nous avons d'ailleurs déjà soulevée est que seuls l'Ontario et la Colombie-Britannique profitent à première vue du transfert de l'espace fiscal. Jusqu'à ce que la valeur de la péréquation des points fiscaux dépasse celle de la contribution en espèce, l'ensemble de la contribution fédérale aux huit autres provinces croîtra en fonction du PNB. Bien que l'adoption intégrale du système des subventions globales aurait pu éviter ce problème, une concession sous la forme de points fiscaux s'imposait pour des raisons politiques.

Du point de vue positif, le gouvernement fédéral a repris contrôle d'une partie importante de ses propres dépenses en supprimant les trois plus importantes subventions inconditionnelles. En outre, la suppression des

<sup>1</sup> Publié par C. A. Meilicke et J. L. Storch, *Perspectives on Canadian Health and Social Services Policy: History and Emerging Trends*, Health Administration Press, Ann Arbor, Michigan.

<sup>2</sup> *Canadian Tax Journal*, Volume X, numéro 5, septembre-octobre 1977. Une concession de ce genre, toutefois, est plus rigide et moins susceptible d'être modifiée qu'une concession sous la forme de subventions globales.



conditions en vertu desquelles le gouvernement fédéral acceptait de partager les frais d'exploitation de certains programmes risque de permettre aux provinces d'exercer un contrôle plus efficace sur leurs dépenses dans le domaine de la santé. Il est cependant malheureux que l'extraordinaire complexité du transfert du financement des programmes établis ne soit compréhensible qu'à quelques économistes du Trésor.»

Selon les documents que nous avons obtenus de Santé et Bien-être social Canada, la quote-part du gouvernement fédéral a sensiblement augmentée au cours des quatre dernières années. Les conclusions du rapport du Juge E. M. Hall intitulé «Le programme de santé national et provincial du Canada pour les années 1980» donnent aussi une indication claire de l'engagement financier du gouvernement fédéral dans ce domaine.

L'Association des hôpitaux du Canada, d'autre part, craint que toute réduction des fonds accordés par le gouvernement fédéral au programme national et provincial d'assurance-hospitalisation mette en péril ce programme dans certaines provinces et que nous perdions ainsi un programme national très précieux.

Il conviendrait peut-être de revoir la formule de péréquation figurant dans la Loi afin d'aider les provinces qui peuvent faire face à des difficultés financières. À ce propos, nous vous renvoyons encore une fois au rapport récent du Juge Hall.

### **23. Recommandation**

IL EST RECOMMANDÉ, afin de protéger le programme national et provincial d'assurance-hospitalisation actuellement en vigueur, que le gouvernement fédéral maintienne au moins à leur niveau actuel les fonds qu'il accorde au programme et qu'on conserve pendant encore cinq ans la formule de financement décrite dans la Loi de 1977 sur le financement des programmes établis.

## **Partie VII**

### **Conseil canadien de la santé**

(Proposition visant à assurer le perfectionnement du système des soins médicaux offerts au Canada)

L'examen des programmes nationaux d'assurance-santé a entraîné l'analyse des éléments qui ont façonné les objectifs nationaux en matière de soins médicaux.

Cet examen permettrait au public de mieux comprendre le problème auquel se heurte le programme de services médicaux et donnera une base d'information plus actuelle pour ceux qui doivent choisir les orientations politiques. En rédigeant son exposé, l'Association des hôpitaux du Canada a fait remarquer que, bien que le secteur des soins médicaux ait fait l'objet de différentes études, peu de recommandations ont été jusqu'à maintenant mises en œuvre.

La politique en matière de santé est une préoccupation centrale et qui touche la prestation des soins de santé. Malgré des connaissances croissantes et plus variées dans ce domaine, les choix sont devenus plus difficiles à faire, maintenant que nous connaissons la médecine moderne et l'assurance-santé nationale.

En effet, on attend davantage, aujourd'hui, des soins médicaux. Les décisions à prendre en matière d'affectation, de coordination et de priorité des dépenses ont de vastes répercussions. Et pour les prendre il faut tenir compte aussi bien des frais que des avantages. En outre, des questions morales et éthiques viennent influencer l'interprétation de cette analyse.

Ni les services de soins ni les gouvernements ne sont bien équipés pour faire face aux importantes difficultés que représente la formulation de politiques en matière de santé. Toutes les associations hospitalières et médicales, les gouvernements, les enseignants et ceux qui s'interrogent sérieusement sur la nécessité d'avoir une politique en matière de santé sont d'accord là-dessus. Des méthodes d'information et les moyens d'évaluation manquent encore. Il faudrait donc créer un organisme indépendant composé de spécialistes.

Il faut fixer des objectifs adéquats pour s'assurer que le système de prestation des soins utilise mieux ses ressources. Il faut trouver des moyens d'évaluation, rendre les données disponibles, trouver et évaluer d'autres façons de dispenser les soins et les évaluer. Sans cela, on ne fera que prendre des décisions hâtives, avant d'avoir réellement saisi le problème.

L'Association des hôpitaux du Canada propose la création d'un conseil indépendant de la santé chargé d'examiner la politique en matière de santé et de fournir les éléments de base voulus pour la prise de décision.

Il serait modelé sur les autres organisations savantes comme le Conseil économique du Canada, l'Institut Hudson et l'Institut de recherche politique. Il serait financé par les secteurs public et privé. Son Conseil d'administration comprendrait d'éminents représentants du secteur médical, du gouvernement et du public. Le Conseil effectuerait des recherches en matière de politique, fournirait des informations et publierait ses conclusions pour enrichir le débat sur les questions de santé. Il évaluerait, en outre, les différents programmes, se pencherait sur les différentes solutions de financement, et pourrait assumer d'autres fonctions, selon l'évolution du système.

#### **Conclusion: Conseil canadien de la santé**

L'Association des hôpitaux du Canada estime qu'il est urgent de créer un Conseil canadien de la santé et appuie sa création. Les diverses associations hospitalières et médicales des provinces promettent de participer, par l'entremise de l'Association des hôpitaux du Canada, le plus possible à sa création et ses travaux.

#### **24. Recommandation**

IL EST RECOMMANDÉ qu'un Conseil canadien de la santé soit créé comme organe indépendant et chargé d'étudier la politique nationale en matière de soins médicaux; il serait dirigé par d'éminents représentants du secteur de la santé, du gouvernement et du public et financé par les secteurs public et privé.

**Association des hôpitaux du Canada (AHC)****Conseil d'administration****1980-1981****Bureau**

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Président élu	M. A. G. Ayers
Ex-président	M. F. W. Lamb
Président	M. J. C. Martin

**Directeurs des associations provinciales, des régions et de l'AHC**

British Columbia Health Association	M. L. Donahue
Alberta Hospital Association	M. J. C. (Pat) French
Saskatchewan Health-Care Association	M. A. G. Ayers
Manitoba Health Organizations, Inc.	M. H. Heaton
Région de l'Ouest	M. G. Chapman
Ontario Hospital Association	M. J. D. Innes
Région de l'Ontario	M. M. G. Henderson
Association des hôpitaux du Québec	M. P. Pleau
Région du Québec	M. M. Leclerc
New Brunswick Hospital Association	M. L. Miller
Nova Scotia Association of Health Org.	M. W. Gilbert
Hospital Association of P.E.I.	M. F. MacDonald
Newfoundland Hospital Association	Major H. Thornhill
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## WITNESSES—TÉMOINS

At 3:30 p.m.

*From Canadian Hospital Association:*

Sister Lucy Power, Chairman of the Board;

Mr. J. C. Martin, President;

Mr. Paul Brown, Executive Vice-President.

At 4:35 p.m.

*From National Indian Brotherhood:*

Mr. Del Riley, President;

Mr. A. Campbell, Researcher, Economic Development;

Mr. Irvin Goodleaf, Director;

Mr. Bill Badcock, Legal Counsel.

A 3 h 30 de l'après-midi

*De l'Association des hôpitaux canadiens:*

Révérende Sœur Lucy Power, présidente du Conseil d'administration;

M. J. C. Martin, président;

M. Paul Brown, vice-président exécutif.

A 4 h 35 de l'après-midi

*De la Fraternité des Indiens nationaux:*

M. Del Riley, président;

M. A. Campbell, chercheur, Développement économique;

M. Irvin Goodleaf, directeur;

M. Bill Badcock, conseiller légal.

HOUSE OF COMMONS

Issue No. 12

Thursday, May 14, 1981

Chairman: Mr. Herb Breau

CHAMBRE DES COMMUNES

Fascicule n° 12

Le jeudi 14 mai 1981

Président: M. Herb Breau

*Minutes of Proceedings and Evidence  
of the Special Committee on*

*Procès-verbaux et témoignages  
du Comité spécial sur*

## The Federal-Provincial Fiscal Arrangements

## Les accords fiscaux entre le gouvernement fédéral et les provinces

RESPECTING:

Federal-Provincial Fiscal Arrangements and  
Established Programs Financing Act, 1977, fiscal  
equalization, tax collection agreements and the  
Canada Assistance Plan

CONCERNANT:

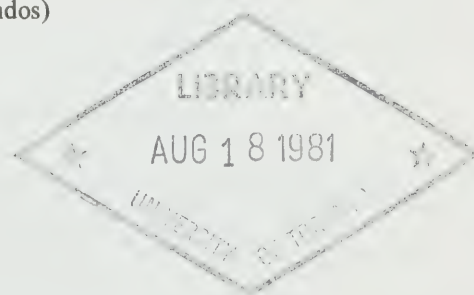
La Loi de 1977 sur les accords fiscaux entre le  
gouvernement fédéral et les provinces et sur le  
financement des programmes établis, la  
péréquation des accords de perception fiscale et le  
Régime d'assistance publique du Canada

WITNESSES:

(See back cover)

TÉMOINS:

(Voir à l'endos)



First Session of the  
Thirty-second Parliament, 1980-81

Première session de la  
trente-deuxième législature, 1980-1981



SPECIAL COMMITTEE ON THE  
FEDERAL-PROVINCIAL  
FISCAL ARRANGEMENTS

*Chairman:* Mr. Herb Breau

*Vice-Chairman:* Mr. Don Blenkarn

Messrs.

Blaikie  
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COMITÉ SPÉCIAL SUR LES ACCORDS FISCAUX  
ENTRE LE GOUVERNEMENT FÉDÉRAL  
ET LES PROVINCES

*Président:* M. Herb Breau

*Vice-président:* M. Don Blenkarn

Messieurs

Thacker

Weatherhead

(Quorum 4)

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*

## MINUTES OF PROCEEDINGS

THURSDAY, MAY 14, 1981  
(29)

## [Text]

The Special Committee on Federal-Provincial Fiscal Arrangements met at 9:35 o'clock a.m., this day, the Vice-Chairman, Mr. Blenkarn, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert and Thacker.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade:* A. R. Dobell and Michael Mendelson. *From the Research Branch, Library of Parliament:* Christopher Lawless.

*Witnesses: At 9:35 a.m.: From the Canadian Council on Social Development:* Terry Terrance-Hunsley, Executive Director; Geoff Norquay, Director of Programs and Dr. David Ross, Consultant. *At 11:00 a.m.: From the Canadian Bar Association:* A. William Cox, Q.C., President and David Matis, Chairman, Constitutional and International Law Section.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (See *Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

*It was agreed,*—That the written submission of the Canadian Council on Social Development be printed as an appendix to this day's Minutes of Proceedings and Evidence (See *Appendix "FISC-30"*).

*It was agreed,*—That the written submission on Established Programs Financing presented by the Canadian Bar Association be printed as an appendix to this day's Minutes of Proceedings and Evidence (See *Appendix "FISC-31"*).

The witnesses made statements and answered questions.

At 12:15 o'clock p.m., the Committee adjourned to the call of the Chair.

AFTERNOON SITTING  
(30)

The Special Committee on Federal-Provincial Fiscal Arrangements met at 3:35 o'clock p.m., this day, the Chairman, Mr. Breau, presiding.

*Members present:* Messrs. Blenkarn, Breau, Herbert, Loisel, Thacker and Weatherhead.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade:* Ronald LeBlanc; William Haney and David Humphreys. *From the Research Branch, Library of Parliament:* Christopher Lawless.

*Witnesses: At 3:35 p.m.: From the Canadian Health Coalition:* Mr. Jim MacDonald, Chairman; Mrs. Margaret Vowles, Vice-Chairman of National Pensioners and Senior Citizens Federation; Mr. Patrick Johnston, Director, Canadian Council on Social Development; Mr. Patrick Jamieson, Director, Cath-

## PROCÈS-VERBAL

LE JEUDI 14 MAI 1981  
(29)

## [Traduction]

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à 9 h 35 sous la présidence de M. Blenkarn (vice-président).

*Membres présents:* MM. Blaikie, Blenkarn, Breau, Herbert et Thacker.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du commerce extérieur:* A. R. Dobell et Michael Mendelson. *Du Service de recherches de la Bibliothèque du Parlement:* Christopher Lawless.

*Témoins: A 9 h 35: Du Conseil canadien sur le développement social:* Terry Terrance-Hunsley, directeur exécutif; Geoff Norquay, directeur des programmes; M. David Ross, expert conseil. *A 11 heures: De l'Association du Barreau canadien:* A. William Cox, c.r., président; David Matis, président, Section des lois constitutionnelles et internationales.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (Voir *procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

*Il est convenu,*—Que le mémoire du Conseil canadien sur le développement social soit joint aux procès-verbal et témoignages de ce jour (Voir *Appendice «FISC-30»*).

*Il est convenu,*—Que le mémoire portant sur le financement des programmes établis présenté par l'Association du barreau canadien soit joint aux procès-verbal et témoignages de ce jour (Voir *Appendice «FISC-31»*).

Les témoins font des déclarations et répondent aux questions.

A 12 h 15, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

SÉANCE DE L'APRÈS-MIDI  
(30)

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à 15 h 35 sous la présidence de M. Breau (président).

*Membres présents:* MM. Blenkarn, Breau, Herbert, Loisel, Thacker et Weatherhead.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du commerce extérieur:* Ronald LeBlanc; William Haney et David Humphreys. *Du Service de recherches de la Bibliothèque du Parlement:* Christopher Lawless.

*Témoins: A 15 h 35: De la Coalition sur la santé canadienne:* M. Jim MacDonald, président; M<sup>me</sup> Margaret Vowles, vice-présidente de «National Pensioners and Senior Citizens Federation»; M. Patrick Johnston, directeur, Conseil canadien sur le développement social; M. Patrick Jamieson, directeur,

olic Health Association of Canada; Mr. Émile Vallée, Director, United Steel Workers of America and Mr. Steven Jelly, Secretary, Consumers' Association of Canada. *At 5:00 p.m.: From the Association of Municipalities of Ontario:* Ms. Marianne Wilkinson, Member of the Board of Directors and Co-Chairperson of Fiscal Policy Committee, Mayor of Kanata; Mr. Peter Clute, Deputy Executive Director; Ms. Marlene Catterall, Member of the Executive Committee and Board of Directors, Alderman, City of Ottawa; Mr. William Rice, Member, Fiscal Policy Committee, Commissioner of Finance, City of Nepean and Mr. Arthur Pope, Member, AMO/ACRO Community and Social Services Committee, Commissioner of Social Services, Regional Municipality of Ottawa-Carleton.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (*See Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

Mr. Johnston made a statement and, with the other witnesses from the Canadian Health Coalition, answered questions.

Ms. Wilkinson made a statement and, with the other witnesses from the Association of Municipalities of Ontario, answered questions.

At 6:05 o'clock p.m., the Committee adjourned to the call of the Chair.

Association catholique sur la santé du Canada; M. Émile Vallée, directeur, Métallurgistes unis d'Amérique; M. Steven Jelly, secrétaire, Association des consommateurs du Canada. *A 17 heures: De l'Association des municipalités de l'Ontario:* M<sup>me</sup> Marianne Wilkinson, membre du Conseil d'administration et co-présidente du Comité de la politique fiscale et mairesse de Kanata; M. Peter Clute, directeur exécutif adjoint; M<sup>me</sup> Marlene Catterall, membre du Comité exécutif et du Conseil d'administration, échevin, ville d'Ottawa; M. William Rice, membre, Comité sur la politique fiscale, commissaire des finances, ville de Nepean; M. Arthur Pope, membre, Comité des services communautaires et sociaux AMO/ACRO, commissaire des services sociaux, municipalité régionale d'Ottawa-Carleton.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (*Voir procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

M. Johnston fait une déclaration puis, avec les autres témoins de la Coalition sur la santé canadienne, répond aux questions.

M<sup>me</sup> Wilkinson fait une déclaration puis, avec les autres témoins de l'Association des municipalités de l'Ontario, répond aux questions.

A 18 h 5, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*



## EVIDENCE

*(Recorded by Electronic Apparatus)*

Thursday, May 14, 1981

• 0935

*[Texte]*

**The Vice-Chairman:** This is a continuation of the order of reference we have on the Canada Assistance Plan, tax collection agreements, equalization, established programs financing, and other fiscal arrangements between the federal government and the provinces. The witnesses before us this morning are the Canadian Council on Social Development, Dr. Terry Terrance-Hunsley, Executive Director; Geoff Norquay, Director of Programs; and Dr. David Ross, Consultant.

Gentlemen, you have presented us with a brief. You can proceed in any way you like. You could read the brief, if you would like; or we could append the brief in full, including the schedules, to our minutes of today's proceedings and you could spend some of your time, perhaps, telling us about what is in the brief, the salient points, and leave it for questioning; or, as I said, you can go through the whole brief. It is really up to you.

**Mr. Terry Terrance-Hunsley (Executive Director, Canadian Council on Social Development):** Thank you, Mr. Chairman. I would suggest that the way we would like to proceed is to go through the whole brief, not to read it to you in total, but to do a fairly elaborate summary of it, which would take perhaps 15, 17, 18 minutes, and then to have whatever questions and comments you might wish to have after that.

**The Vice-Chairman:** We usually find that very helpful. In that case, may I suggest that the brief be appended to today's minutes?

**Some hon. Members:** Agreed.

**The Vice-Chairman:** Dr. Terrance-Hunsley.

• 0940

**Mr. Terrance-Hunsley:** May I say first that we recognize that a committee of this nature is an important initiative in federal policy development; as a voluntary organization which is interested in social research, development and improvement in Canadian social policy, we welcome that kind of initiative. Also, though, we feel that we have to comment on two very basic aspects of this particular process that are worrisome to us. The first is that the timeframe of the committee is too short and does not allow adequate time for full consultation in the process.

The second concern centres on the fact that the need to renegotiate tax-sharing agreements has been placed in direct confrontation with the needs served by major social programs. These programs could otherwise be reviewed within a schedule that would better reflect their national significance. It may not be inappropriate to link tax-sharing and equalization arrangements with the financing of social programs, but social programs should not be held hostage to the outcome of these broader negotiations.

## TÉMOIGNAGES

*(Enregistrement électronique)*

Le jeudi 14 mai 1981

*[Traduction]*

**Le vice-président:** Nous reprenons l'étude de notre ordre de renvoi au sujet du régime d'assistance publique du Canada, des accords de perception des impôts, de la péréquation, du financement des programmes établis et d'autres accords fiscaux entre le gouvernement fédéral et les provinces. Nos témoins ce matin viennent du Conseil canadien du développement social, le Dr Terry Terrance-Hunsley, directeur exécutif; M. Geoff Norquay, directeur des programmes et le Dr David Ross, consultant.

Messieurs, vous nous avez présenté un mémoire. Vous pouvez procéder maintenant comme vous l'entendrez. Vous pourriez lire le mémoire, si vous le désirez, ou vous pouvez le faire publier en annexe, avec tous ses appendices, à nos délibérations d'aujourd'hui et vous pourriez peut-être consacrer quelque temps à nous dire ce que contient le mémoire, à nous en donner les points saillants et à nous laisser poser les questions. Ou, je le répète, vous pouvez lire tout le mémoire. C'est à votre goût.

**M. Terry Terrance-Hunsley (directeur exécutif, Conseil canadien du développement social):** Merci, monsieur le président. Pour nous, la meilleure façon de procéder serait de passer tout le mémoire, non pas de le lire au complet, mais d'en faire un résumé assez élaboré qui prendrait 15, 17 ou 18 minutes, pour ensuite entendre vos questions et commentaires.

**Le vice-président:** Nous trouvons d'habitude que c'est une bonne façon de procéder. Dans ce cas, puis-je proposer que le mémoire soit annexé aux délibérations d'aujourd'hui?

**Des voix:** D'accord.

**Le vice-président:** Docteur Terrance-Hunsley.

**M. Terrance-Hunsley:** Je dirai d'abord qu'à notre avis, un comité comme le vôtre constitue une importante étape dans l'élaboration de la politique fédérale. A titre d'organisation bénévole intéressée à la recherche sociale, au développement et à l'amélioration de la politique sociale canadienne, nous applaudissons à ce genre d'initiative. Nous devons cependant faire connaître notre pensée sur deux aspects très fondamentaux de cette activité qui nous préoccupent. Premièrement, nous pensons que les délais fixés à votre comité sont trop courts et ne permettent pas de procéder à une consultation approfondie.

En deuxième lieu, il y a le fait que le besoin de renégocier les accords de partages fiscaux est opposé directement à des besoins satisfaits par les grands programmes sociaux. Autrement, ces programmes pourraient être visés en suivant un calendrier qui traduirait mieux leur importance nationale. Il ne serait pas inapproprié de relier les partages fiscaux et les ententes de péréquation au financement des programmes sociaux, mais il ne faudrait pas que ces programmes sociaux

*[Text]*

We feel that decisions regarding major social programs should be taken with consideration for the objectives, the costs, the effectiveness and the need for these programs. It would be wrong to allow a struggle for political or fiscal supremacy to negate the consideration of these basic factors.

While we respect the financial management problems of the federal government, we cannot agree with the Honourable Mr. MacEachen that the most important objective of this process is fiscal balance. We would offer a preferred rationale as expressed by the Honourable Marc Lalonde to the effect that

... our first obligation as governments is to seek to design a system which will be best for individual Canadians, and only then should we move on to consider which government should administer which elements or parts of the system.

We would wish also to underscore an important point relative to the impact of proposed cutbacks. That is that regardless of which program or combination of programs is finally selected for reduced expenditures, the impact of specific federal reductions would be generalized and spread over all social programs by provincial budgetary processes. Since health, welfare, and education programs compete for the same allocation of provincial treasuries, the loss will be shared across all three sectors and the unpopularity of resulting tax increases will be blamed on the three sectors equally. The federal government may therefore be initiating a process that will result in all social programs becoming scapegoats of a fiscal imbalance which these programs did not cause.

Now is not the time in our opinion to reduce our national commitment to maintain the basic social, health and educational programs which, in turn, support our quality of life, support our national economy, and underpin our social, cultural, and political stability.

While recognizing that provincial governments have not adequately invested in developing and improving these programs over the last few years, and being aware that the programs are of provincial jurisdiction, we would also point out that 50 years of federal involvement in cost-sharing for purposes of developing programs of national importance cannot be ignored. The federal government has incurred an obligation that is both political and financial, and we feel it should seriously reconsider its proposed actions.

The next section of our brief presents some information on the broad dimensions of social and federal spending. We point out that since 1971, federal spending as a share of the gross national product has been relatively stable. We mention that where the share of total public sector spending did increase during these years, the increase is almost entirely due to increased provincial and municipal spending.

We would point out that over the last 5 years, at the federal level spending on health, education and welfare, has been basically stable at about 8 per cent of the gross national

*[Translation]*

soient tenus dans l'incertitude en attendant le résultat de ces vastes négociations.

Nous pensons que les décisions concernant les grands programmes sociaux devraient se prendre en tenant compte des objectifs, des coûts, de l'efficacité et du besoin de ces programmes. Il serait mauvais de laisser la lutte pour la suprématie politique ou fiscale masquer le besoin de tenir compte de ces facteurs fondamentaux.

Nous comprenons très bien les problèmes de gestion financière du gouvernement fédéral, mais nous ne pouvons admettre que l'objectif le plus important de ce processus soit l'équilibre fiscal, comme l'affirme l'honorable M. MacEachen. Nous préférons, quant à nous, le raisonnement formulé par l'honorable Marc Lalonde, selon qui

... notre premier devoir, comme gouvernement, c'est de chercher à concevoir le meilleur système possible pour chaque Canadien et ensuite, seulement, de commencer à nous demander quel gouvernement devrait administrer les éléments ou parties du système.

Nous aimerions également souligner un point important relatif à l'impact des coupures proposées. Peu importe sur quel programme ou sur quelle combinaison de programmes porteront finalement les réductions de dépenses, l'impact de toute réduction fédérale se répercutera et s'étendra à tous les programmes sociaux par le processus des budgets provinciaux. Comme les programmes de santé, de bien-être et d'éducation sont en concurrence pour obtenir chacun sa part des allocations provinciales, la perte sera partagée par les trois secteurs et l'impopularité créée par les augmentations d'impôt sera blâmée sur les trois secteurs également. Il se pourrait donc que le gouvernement fédéral mette en branle un processus qui fera de tous les programmes sociaux les boucs émissaires d'un déséquilibre fiscal qu'ils n'ont pourtant pas causé.

A notre avis, ce n'est pas le moment de diminuer notre engagement national à maintenir les programmes sociaux, les programmes de santé et d'éducation qui se trouvent à soutenir notre qualité de vie, notre économie nationale et qui sous-tendent notre stabilité sociale culturelle et politique.

Tout en reconnaissant que les gouvernements provinciaux n'ont pas assez investi dans le développement et l'amélioration de ces programmes depuis quelques années, et sachant très bien que ces programmes sont de compétence provinciale, nous aimerions signaler qu'on ne peut tout simplement pas oublier 50 années de participation fédérale dans le partage des coûts en vue de développer des programmes d'envergure nationale. Le gouvernement fédéral a assumé une obligation tant politique que financière et nous pensons qu'il devrait sérieusement réexaminer ses projets à l'étude.

La partie suivante de notre mémoire présente une certaine information sur les vastes dimensions des dépenses sociales et fédérales. Nous signalons que depuis 1971, les dépenses fédérales, comme proportion du produit national brut, sont demeurées relativement stables. Nous mentionnons que si les dépenses totales du secteur public ont augmenté, pendant ces années, l'augmentation est presque entièrement due à une augmentation des dépenses provinciales et municipales.

Nous aimerions signaler que depuis 5 ans, au niveau fédéral, les dépenses consacrées à la santé, à l'éducation et au bien-être sont demeurées fondamentalement stables à environ 8 p. 100



## [Texte]

product. We would also point out that about 90 per cent of federal transfer payments for welfare purposes or labelled as welfare, are carried out through direct transfers to individuals, and that is an area where the federal government has a very high visibility. The aspect of cost-shared programs where the federal government may not have high visibility makes up only about 10 per cent of these transfer payments.

## • 0945

We would also point out that neither the size of Canada's public sector nor the amount spent on social welfare is out of control, as many may have said, when compared with other industrialized countries. In an analysis of data from 1974-76 on OECD countries, Canada ranked only twelfth in terms of total public expenditure as a percentage of gross national product in a group of 18. Canada lagged behind such countries as Belgium, Denmark, France, Germany, Norway and the United Kingdom.

In relation to expenditures on income maintenance programs of a group of 17, Canada ranked 13th. Therefore, arguments which favour a reduction in public sector spending and, in particular, a reduction in social spending because these are out of control should be closely examined in the light of the public sector experience of Canada's economic neighbours and trading partners.

The reasons for a strong federal presence in social programs were contained in the government's background paper of 1968 for the constitutional conference and they were listed as income redistribution which is a factor which only the federal government can ensure, a sense of community where social programs were viewed by the federal government as contributing to a sense of national unity; portability and the undesirability of program benefits varying sharply from province to province; the recognition that income payments are a part of the means used by the Government of Canada to stabilize the economy and thus an important part of economic policy; and a national interest was asserted in ensuring a reasonable measure of service equality among provinces. This goal was one of the central objectives of federal social policy. That commitment was reconfirmed in 1973 by the Honourable Marc Lalonde who suggested that national minimums be set by the Parliament of Canada.

However, in 1981 the federal commitment now appears to be flagging. We have indicated in our brief a question put to the Prime Minister by Jeff Simpson of *The Globe and Mail* regarding the upcoming fiscal negotiations where he asked:

... whether you think these negotiations are part of an effort that the federal government must make to, in effect, reverse what it sees as the excessive decentralization of the country.

## [Traduction]

du produit national brut. Nous aimerions signaler en outre qu'environ 90 p. 100 des paiements fédéraux de transferts pour des fins de bien-être, ou ce qu'on appelle le bien-être, se font au moyen de transferts directs à des personnes, de sorte que c'est un domaine où le gouvernement fédérale a une très grande visibilité. La partie des programmes à frais partagés où le gouvernement fédéral n'a pas une aussi grande visibilité ne représente qu'environ 10 p. 100 de ces paiements de transfert.

Nous aimerions signaler également que ni l'ampleur du secteur public, ni les sommes consacrées au bien-être social n'ont échappé à tout contrôle, comme on le dit souvent, en comparaison avec d'autres pays industrialisés. Dans une analyse des données pour les années 1974 à 1976 parmi les pays de l'OCDE, le Canada arrive seulement au douzième rang, dans un groupe de 18 pays, pour ce qui est du total des dépenses publiques comme pourcentage du produit national brut. Le Canada arrive après des pays comme la Belgique, le Danemark, la France, l'Allemagne, la Norvège et le Royaume-Uni.

Pour ce qui est des dépenses consacrées à des programmes de sécurité du revenu, sur un groupe de 17 pays, le Canada arrive au treizième rang. Par conséquent, il faudrait examiner avec soin et en les comparant aux dépenses des secteurs publics des voisins économiques et des partenaires commerciaux du Canada tous les arguments qui réclament une réduction des dépenses du secteur public, et, en particulier, une réduction des dépenses sociales parce que ces dépenses auraient échappé à tout contrôle.

Les raisons d'une forte présence fédérale dans les programmes sociaux étaient énoncées dans la documentation présentée en 1968 par le gouvernement pour la conférence constitutionnelle où l'on voit que ces raisons étaient les suivantes: Redistribution du revenu, facteur que seul le gouvernement fédéral peut assurer; sens de la collectivité où les programmes sociaux étaient considérés par le gouvernement fédéral comme des facteurs contribuant à un sens d'unité nationale; la transférabilité, et l'inacceptabilité de programmes dont les contributions varient énormément d'une province à l'autre; le fait reconnu que les paiements de revenus sont une partie des moyens utilisés par le gouvernement du Canada pour stabiliser l'économie et constituent ainsi une partie importante de la politique économique; et il était convenu qu'il était d'intérêt national d'assurer une mesure raisonnable d'égalité de services parmi les provinces. Cet objectif était l'un des principaux objectifs de toute politique sociale fédérale. Cet engagement fut reconfirmé en 1973 par l'honorable Marc Lalonde qui avait proposé que des minimums nationaux soient établis par le Parlement du Canada.

Mais voici qu'en 1981, l'engagement fédéral semble commencer à battre de l'aile. Nous avons repris dans notre mémoire une question posée au premier ministre par Jeff Simpson du *Globe and Mail* au sujet des prochaines négociations fiscales. Il a demandé:

... si vous croyez que ces négociations font partie d'un effort que le gouvernement fédéral doit tenter pour essayer de renverser ce qu'il considère comme une décentralisation excessive du pays.



## [Text]

And the response by Mr. Trudeau is to the effect that

... I would confess to you that it is a worry.

And he goes on to say:

So there is no doubt that in fiscal and expenditure terms there has been a very drastic decentralization in the past 20 years. And I would say quite frankly I do not think that can continue.

Later he says as well:

We certainly do not propose to solve this problem on the backs of the poor or of the sick.

Well, we would like to question how the federal government can reverse any trend to decentralization by reducing spending in the social program area. Will a reduction in federal contributions not simply result in forced additional provincial expenditures that will increase the current fiscal imbalance? Second, by singling out cost-shared social programs, we do not see any result other than solving this problem on the backs of the poor and the sick.

In further relation to the singling out of social programs, we would like to point out that with talk of separation coming from all corners of the country, it is important that the federal government promote an identity or Canadian presence which also allows and encourages Canadians to move about the country knowing that minimum health, education, and income standards exist in each province. Moreover, the automatic stabilizing effect of income security payments is an important element of the federal government's economic policy. Given the medium term unemployment statistics estimates tabled with last October's federal budget, it would seem imperative that spending on income security be prepared to rise, and not fall, at least until 1985.

• 0950

Much has been gained by federal involvement in the social program area. However, there is still a long way to go, since there is still considerable variability across the country, and even in the more generous provinces social service and income support levels are still inadequate.

The proposed cuts are particularly upsetting at a time when many Canadians are fearful that the federal government no longer cares about national standards in such programs as medicare. In 1977, the federal government agreed to, and indeed, encouraged, the adoption of a financing mechanism for health and post-secondary education that created the unconditional flow of funds to these two sectors. In the health sector, the deconditionalizing of grants formerly made under the national medicare and hospitalization legislation has led to the practice of extra billing, which has resulted in many Canadians' paying extra for services and a level of care that was originally funded by public moneys.

## [Translation]

Et la réponse de M. Trudeau, ce fut qu'en effet

Je dois vous confesser que c'est une inquiétude.

Et il poursuit:

Il n'y a donc aucun doute que dans le domaine fiscal et dans le domaine des dépenses, il y a eu une décentralisation très marquée au cours des 20 dernières années. Et je dois vous dire très franchement qu'à mon avis, cela ne peut continuer.

Plus tard, il ajoute:

Nous n'avons certainement pas l'intention de régler ce problème sur le dos des pauvres ou des malades.

Dans ce cas, nous voulons demander comment le gouvernement fédéral entend renverser toute tendance à la décentralisation en réduisant ses dépenses dans le domaine des programmes sociaux. Toute réduction des contributions fédérales n'aboutirait-elle pas simplement à une augmentation obligatoire des dépenses provinciales qui ne pourrait qu'accentuer le déséquilibre fiscal actuel? Et de plus, en choisissant les programmes sociaux à frais partagés, on ne pourrait aboutir, selon nous, à d'autres résultats qu'à régler le problème sur le dos des pauvres et des malades.

Pour ce qui est de choisir ces programmes sociaux, nous aimerions signaler en outre que face à tous les bruits de séparation venant de tous les coins du pays, il est important pour le gouvernement fédéral de favoriser une identité ou une présence canadienne qui donne aux Canadiens les moyens et le désir de changer de région, sachant que des normes minimales de santé, d'éducation et de revenu existent dans chaque province. De plus, l'effet stabilisateur automatique des paiements de sécurité du revenu sont un élément important de la politique économique du gouvernement fédéral. Vu les statistiques prévisionnelles à moyen terme du chômage déposées avec le budget fédéral d'octobre dernier, il semblerait nécessaire que les dépenses pour la sécurité du revenu doivent augmenter, et non diminuer, au moins jusqu'en 1985.

L'implication du gouvernement fédéral dans les programmes sociaux a déjà permis de réaliser beaucoup. Toutefois, il reste encore énormément à faire, vu qu'il existe d'énormes différences dans les diverses parties du pays et vu que même dans les provinces les plus généreuses, les niveaux de service social et de sécurité du revenu laissent encore à désirer.

Les coupures proposées sont particulièrement alarmantes à un moment où beaucoup de Canadiens craignent que le gouvernement fédéral ne commence à se désintéresser de normes nationales dans des programmes comme l'assurance santé. En 1977, le gouvernement fédéral avait accepté et même favorisé l'adoption de mécanismes financiers pour la santé et l'éducation post-secondaire qui avaient créé des versements de fonds sans condition à ces deux secteurs. Dans le secteur de la santé, le versement sans condition de subventions autrefois faites en vertu du programme d'assurance santé et de la Loi sur l'hospitalisation a abouti à la pratique du ticket modérateur et ainsi, beaucoup de Canadiens paient un surplus pour des services et pour un niveau de soins qui, à l'origine, étaient financés par des fonds publics.

*[Texte]*

We do not really understand why the federal government would respond to this situation by proposing to cut back on funding. Given the vital importance of federal funding in the health, education and welfare areas, surely the more appropriate federal response would be to maintain the flow of funds but also to ensure that these funds flow into the provincial social spending envelopes. If there is an assumption of matching provincial expenditures in federal-provincial programs, this should be spelled out and monitored and enforced.

Our council would like to place before the task force the plight of the 3.5 million Canadians who live below the poverty line. We would argue for an increase and not a decrease in spending in this area. We can demonstrate that even today, with substantial levels of federal financial support, major discrepancies exist among income support levels and the access to and quality of social services on a provincial basis, and as well that the income gap between the rich and the poor has not narrowed in Canada over the past three decades.

This task force should be aware of the fact that the number of Canadian families living in poverty, while historically on a decline, has been stable since 1974 and in more recent years appears to be increasing. Recent trends toward lower real incomes, rising prices and high unemployment have worked greater hardships on low-income families than on other Canadian families. And given the federal government's forecast for continuing high unemployment, inflation and relatively stable real incomes, it is expected that the number of families falling below the poverty line in the future will continue to increase, and that a greater number of these will be among the working poor.

We have presented in section 5 of our brief information to demonstrate discrepancies and inadequacies in social programs, choosing in particular income support programs and day care. Our charts and tables will illustrate the different levels of support available to both the working poor and the welfare poor.

Chart No. 1 shows the discrepancies among provinces in income assistance available to the working poor who, very seldom qualify for social assistance. We would point out that in 1979 only Saskatchewan and Quebec provided any significant income support for the working poor—Manitoba has recently entered the field in this past year—but in no province do combined earnings and income assistance bring the family up to poverty-line levels.

In relation to day care, we have presented a number of pieces of information to illustrate the variation in day-care expenditures and in quality and adequacy of licensed day-care spaces. We would ask you to note in particular the variation in monthly day-care costs charged to a single parent earning less than \$10,000 a year. These monthly costs range from about \$20 per child in British Columbia, Saskatchewan and Ontario

*[Traduction]*

Nous ne comprenons pas vraiment pourquoi le gouvernement fédéral répondrait à cette situation en proposant de couper le financement. Étant donné l'importance vitale des fonds fédéraux pour les domaines de la santé, de l'éducation et du bien-être, il nous semble que la réponse fédérale la plus appropriée serait de maintenir le niveau des subventions, mais de s'assurer que ces subventions soient versées dans les enveloppes provinciales de dépenses sociales. Si l'on veut que les dépenses fédérales soient égales aux dépenses provinciales dans les programmes fédéraux-provinciaux, il faudrait des ententes bien claires, des ententes contrôlées et bien exécutées.

Notre Conseil veut faire comprendre à votre comité le triste sort de 3.5 millions de Canadiens qui vivent en-deçà du seuil de pauvreté. Nous voudrions proposer une augmentation et non une diminution des dépenses dans ce domaine. Nous pouvons démontrer que même aujourd'hui, en dépit du soutien financier considérable du gouvernement fédéral, il existe des disparités importantes dans les niveaux de revenus et dans l'accès aux services sociaux comme dans la qualité de ces services dans les provinces. Nous pouvons démontrer aussi que les disparités de revenus entre les riches et les pauvres n'ont pas diminué au Canada au cours des trois dernières décennies.

Votre comité doit savoir que le nombre des familles canadiennes vivant dans la pauvreté avait décliné dans le passé, mais qu'il s'est stabilisé depuis 1974 et qu'il semble avoir commencé à augmenter depuis quelques années. Les récentes tendances à une diminution des revenus réels, à une augmentation des prix et à un chômage élevé ont frappé plus durement les familles à faible revenu que toutes les autres familles canadiennes. Et vu que le gouvernement fédéral prévoit des niveaux élevés de chômage et d'inflation ainsi que des revenus réels relativement stables, il est à prévoir que le nombre des familles tombant sous le seuil de la pauvreté dans l'avenir continuera à augmenter et qu'un grand nombre de gens feront partie des travailleurs pauvres.

Nous avons présenté, dans la section 5 de notre mémoire, une information pour démontrer les disparités et les lacunes des programmes sociaux, en particulier dans les programmes de soutien du revenu et des garderies. Nos graphiques et tableaux montrent les différents niveaux de soutien offerts au travailleur pauvre et à l'assisté social pauvre.

Le graphique numéro 1 montre les disparités entre les provinces dans le niveau de soutien du revenu offert au travailleur pauvre qui est très rarement admissible à l'assistance sociale. Nous aimerions signaler qu'en 1979, seuls la Saskatchewan et le Québec offraient un soutien du revenu significatif au travailleur pauvre—le Manitoba est entré dans ce domaine l'année dernière—mais dans aucune province le montant combiné des gains et du revenu provenant de l'assistance n'amène la famille au-delà du seuil de la pauvreté.

Pour ce qui est des garderies, nous avons présenté différents documents pour démontrer les différences dans les dépenses faites dans ce domaine et dans la qualité et la valeur des garderies agréées. Nous vous prions de remarquer en particulier les différences dans les coûts mensuels exigés d'un parent célibataire qui gagne moins de \$10,000 par année. Ces coûts varient entre environ \$20 par enfant en Colombie-Britannique,



## [Text]

to \$85 in Nova Scotia and \$150 in Newfoundland. That is shown in chart A3 in the appendix.

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Without adequate and affordable day care the working poor in Canada cannot be expected to improve their economic situation, which is increasingly being imperilled by rising living costs and high unemployment.

In relation to future service needs, we have chosen to illustrate the future impact of changes in the age mix of the Canadian population, and it is well known, I think, to everyone at this time that Canada's population is aging. In relation to hospital capacity, we would like to point out that if current hospital capacity and utilization rates stay the same, the normal increase in the population of those over 65 will mean that the elderly will occupy 59 per cent of all hospital beds by 1991 and 99 per cent by 2021. Clearly, part of the answer to this problem lies in the development of noninstitutional health and social services, such as home care and home help, to prevent unnecessary hospitalization of the elderly. However, we expect that without continued federal leadership and assistance, some provinces will simply not have the financial resources to invest in these kinds of preventive programs, thereby causing an even greater crisis.

In our concluding section, we acknowledge the importance of fiscal balances in our federal state, but we would like to identify some of the stark social and economic realities that will face Canadian citizens and their governments in future years. These realities suggest that Canada will very likely be facing unavoidable increases in social spending in the future. We are aware that inflation is currently running at over 12 per cent and we would point out two effects that this has on low-income people. For the working poor, unless their already meagre wages keep up with inflation, there is a definite risk that they will opt for welfare. For those on social assistance, inflation means an inexorable reduction in an already inadequate income. We presented information here from a recent study by the Ontario Welfare Council and the Social Planning Council of Toronto indicating the decline in purchasing power on the part of a single mother on provincial family benefits over recent years.

The energy price increases planned in the National Energy Program will cause a significant erosion in the purchasing power of the poor. We estimate that a low-income family will experience a net increase in energy expenditures from 12.6 per cent of their income in 1979 to nearly 21 per cent in 1984, and in estimated dollars an increase of \$1,098. When these energy price increases were announced by the federal government last fall, our organization expressed concern that no related measures were announced to soften their impact on low-income Canadians. We would like to repeat this concern and point out that energy price increases would directly affect social program spending in the future.

## [Translation]

en Saskatchewan et en Ontario, \$85 en Nouvelle-Écosse et \$150 à Terre-Neuve. On peut voir ces chiffres dans le graphique A3, en annexe.

Sans une garderie convenable et à un prix acceptable, le travailleur pauvre ne peut améliorer sa situation économique qui empire constamment par l'augmentation du coût de la vie et du taux de chômage.

Pour ce qui est des besoins futurs de service, nous avons choisi de démontrer l'impact futur des changements dans la composition d'âge de la population canadienne et j'imagine que tout le monde sait à présent que la population du Canada vieillit. Pour ce qui est de la capacité des hôpitaux, nous aimerions signaler que si les taux actuels de capacité et d'utilisation des hôpitaux se maintiennent, l'augmentation normale des plus de 65 ans dans la population fera que les vieillards occuperont 59 p. 100 de tous les lits d'hôpitaux en 1991 et 99 p. 100 en 2021. Il est évident qu'une partie de la réponse à ce problème se trouve dans la création de services sociaux et de services de santé non institutionnels comme les centres d'accueil et l'aide à domicile, afin de prévenir l'hospitalisation inutile des vieillards. Toutefois, sans le leadership et l'assistance du gouvernement fédéral, nous pensons que certaines provinces n'auront tout simplement pas les ressources financières nécessaires pour investir dans ces programmes préventifs causant ainsi une crise encore plus grave.

Dans notre conclusion, nous reconnaissons l'importance de l'équilibre fiscal dans notre État fédéral, mais nous aimerions identifier certaines des vraies réalités sociales et économiques que rencontreront les Canadiens et leurs gouvernements dans l'avenir. Ces réalités portent à croire que le Canada devra très probablement faire face à une augmentation inévitable des dépenses sociales dans l'avenir. Nous savons que l'inflation est présentement à plus de 12 p. 100 et nous aimerions en signaler ici deux effets pour les gens à faible revenu. Pour le travailleur pauvre, à moins que son salaire déjà maigre ne suive le rythme de l'inflation, il y a un risque très clair qu'il opte pour l'assistance sociale. Pour ceux qui sont déjà des assistés sociaux, l'inflation représente une réduction inexorable d'un revenu déjà insuffisant. Nous avons présenté ici des renseignements provenant d'une étude récente faite par le Conseil ontarien du bien-être et par le Conseil de planification sociale de Toronto démontrant le déclin du pouvoir d'achat d'une mère célibataire vivant de prestations familiales provinciales au cours des dernières années.

L'augmentation du prix de l'énergie prévue par le programme national de l'énergie entraînera une érosion importante du pouvoir d'achat des pauvres. D'après nos estimations, une famille à faible revenu subira une augmentation nette de ses dépenses énergétiques qui passera de 12.6 p. 100 de son revenu en 1979 à environ 21 p. 100 en 1984 soit, en dollars, une augmentation estimative de \$1,098. Quand ces augmentations des prix de l'énergie ont été annoncées par le gouvernement fédéral l'automne dernier, notre organisation a exprimé son inquiétude parce qu'aucune mesure compensatoire n'était annoncée pour en adoucir l'impact pour les Canadiens à faible revenu. Nous aimerions répéter cette inquiétude et signaler



[Texte]

Unemployment is currently standing at around the 800,000 level and we would point out that if unemployment rises, as forecast by the October budget, provincial and municipal governments will be facing higher social assistance costs, which they will have no choice but to meet.

Although we have painted a rather gloomy picture for many disadvantaged groups in Canadian society, it is our view that the working poor face the greatest hardships, given Canada's current economic circumstances. As we have recommended in the past, and as the social security review concluded in 1976, the federal government should be seeking ways of assisting the working poor. This can be accomplished through increased support to provinces to establish or expand existing wage supplementation programs, or it could be accomplished through the improvement or expansion of income tested tax credit programs, such as the child tax credit, or the development of an energy tax credit.

Now is not the time to cut social spending in Canada. To do so only in the name of fiscal balance, without examining the needs of low-income Canadians, would be to make them pay the price of what is essentially an intergovernmental dispute. Thank you, Mr. Chairman. If there are any comments or questions . . .

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**Mr. Blenkarn:** Thank you for your comments.

**The Chairman:** May I first of all apologize to the witnesses for my being late. I had to drive to Montreal this morning for personal reasons and just got back. I could have got up a little earlier, but 4.15 a.m. was early enough.

**Mr. Blenkarn:** I thank you for your very excellent brief. I have always felt that the social assistance programs, while they help people who are not working and people who are clearly without means at all, do very little for the working poor. I was wondering if that is as a result of the definition of need or about-to-be need or approximating need in the CAP definitions, and how these programs that are presently financed by the federal government under CAP are carried on.

**Mr. Terrance-Hunsley:** I think there is a direct relationship between the definition of need under CAP and the difficulty that federal and provincial governments have had over the past 10 years or so in establishing likelihood of need. My understanding of the purpose of that original aspect of CAP was to allow for the establishment of a social need or a preventative kind of programming, and it really has not been developed to the point of being applied to income supplementation programs. It has probably been used a little more often in respect of certain social services rather than income assistance.

As a result, a lot of the wage supplementation programs in many of the provinces really only supplement the income of

[Traduction]

que les augmentations du prix de l'énergie auront des effets directs sur les dépenses sociales dans l'avenir.

Le nombre des chômeurs s'établit présentement à environ 800,000 et nous aimerions signaler que si le chômage augmente, comme le prévoyait le budget d'octobre, les gouvernements provinciaux et municipaux devront faire face à une augmentation des coûts d'assistance sociale et ils n'auront pas d'autre choix que de payer.

Même si nous avons peint un tableau plutôt sombre pour de nombreux groupes défavorisés de la société canadienne, nous croyons que le travailleur pauvre est le plus durement touché par la présente conjoncture économique du Canada. Comme nous l'avons recommandé dans le passé, et conformément aux conclusions d'une révision de la sécurité sociale en 1976, le gouvernement fédéral devrait rechercher des moyens d'aider le travailleur pauvre. Cela peut se réaliser par une augmentation du soutien aux provinces visant à établir ou à améliorer les programmes existants de supplément du revenu, ou cela pourrait se faire par l'amélioration ou l'expansion des programmes de crédit d'impôt fondés sur un examen des revenus, tel que le crédit fiscal pour les enfants, ou l'élaboration d'un crédit fiscal pour l'énergie.

Ce n'est pas le moment de couper les dépenses sociales au Canada. Faire cela, dans l'unique objet d'un équilibre fiscal, sans examiner les besoins des Canadiens à faible revenu, ce serait leur faire payer le prix de ce qui est essentiellement une dispute de gouvernements. Merci, monsieur le président. S'il y a des commentaires ou des questions . . .

**M. Blenkarn:** Merci de votre présentation.

**Le président:** Puis-je, tout d'abord, m'excuser auprès de nos témoins pour mon retard. J'ai dû aller en voiture à Montréal ce matin pour des raisons personnelles et je viens de rentrer. J'aurais pu me lever plus tôt, mais 4 h 15, c'était assez tôt.

**M. Blenkarn:** Je vous remercie de votre excellent mémoire. J'ai toujours pensé que les programmes d'assistance sociale, même s'ils aident les sans-travail et les complètement démunis ne font pas grand chose pour le travailleur pauvre. Je me demande si ce n'est pas à cause de la définition du besoin, du presque besoin ou du besoin approximatif, dans le programme canadien et comment ces programmes financés par le gouvernement fédéral sont mis en application.

**M. Terrance-Hunsley:** Il y a sans doute un rapport direct entre la définition du besoin prévue dans le programme et la difficulté que le gouvernement fédéral et les provinces éprouvent depuis une dizaine d'années à déterminer ce qui est un besoin vraisemblable. Si je comprends bien, cet aspect du programme avait à l'origine pour objectif l'établissement d'un besoin social ou d'une sorte de programme préventif et en réalité, il ne s'est pas développé au point de s'appliquer à des programmes de supplément du revenu. Il a probablement été utilisé un peu plus souvent à l'égard de certains services sociaux que pour le soutien du revenu.

Il en résulte qu'un bon nombre de programmes de supplément du revenu, dans beaucoup de provinces, n'ajoutent au

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the working poor to the level of the welfare payment in the province. As we mentioned, there are only the two provinces, now three, that really have any significant programs which go beyond that level. I understand that the Canada Assistance Plan is still not sharing beyond the level of what would really be those who could be considered in need rather than a likelihood of need.

**Mr. Blenkarn:** Under the Canada Assistance Plan program, as you know, the provinces essentially determine who is in need. Is it your view that the 50-50 sharing is inappropriate or that the provinces are deliberately not extending their concept of need to cover working poor sufficiently?

**Mr. Terrance-Hunsley:** In order for the provinces to extend the concept of need itself, what they would be doing, in essence, is raising the social assistance payments. If they raised them for everyone across the board, including those working and not working, then everyone can get a better level of income and the federal government will cost share. Where they have difficulty is where they want to raise that level only for those who are working. Then they found that they cannot cost share that aspect.

**Mr. David Ross (Consultant, Canadian Council on Social Development):** Could I just respond to that?

**The Chairman:** Yes, please.

**Mr. Ross:** I think provinces respond to pressures and the pressures are felt through the intake offices in the field, the welfare offices. The working poor, if I may say so, rather loathe welfare. If they did not they would be on it because quite often they would be better off on it. So they do not go to the welfare office and they do not create a pressure. They are out there and they are almost invisible, to a large extent. I think as long as they are not creating pressures at the welfare intake office, then the province is not going to respond to it. They have to respond in a different way that does not take them into the welfare system.

**The Chairman:** I wonder if you could clarify when you said that the need was established by the provinces. Is it in fact established unilaterally by the provinces or is it not part of the agreements? In part the need is agreed to by both governments, is it not, according to each province?

**Mr. Terrance-Hunsley:** The federal requirement is only that there be a test of need.

**The Chairman:** And it is totally the provincial government that determines the need.

**Mr. Terrance-Hunsley:** It determines the level of the need.

**Mr. Blenkarn:** You got into the question of energy prices. It is your view, I see, in your brief that the effect of rapidly increasing energy prices impacts more seriously on working poor and the poor in general. Well why is that? Can you explain why that would be the case? In other words, a lot of these people may not have automobiles, for example, and so on. Is there some direct relation here that affects them? Can

*[Translation]*

revenu du travailleur pauvre que ce qui lui manque pour atteindre le niveau des prestations d'assistance sociale dans la province. Comme nous l'avons dit, il n'y a que deux provinces, pardon trois maintenant, dont les programmes dépassent un peu ce niveau. On me dit que le programme d'assistance publique ne contribue pas encore au partage au-dessus du niveau de ceux qui peuvent être considérés dans le besoin ou dans une apparence de besoin.

**M. Blenkarn:** Aux termes du programme d'assistance publique du Canada, comme vous le savez, ce sont les provinces qui déterminent qui est dans le besoin. Estimez-vous que le partage 50-50 n'est pas approprié ou que les provinces évitent délibérément d'étendre leur concept du besoin pour couvrir suffisamment le travailleur pauvre?

**M. Terrance-Hunsley:** Pour étendre le concept du besoin lui-même, les provinces devraient, essentiellement, augmenter les prestations d'assistance sociale. Si elles les augmentent pour tous les assistés sociaux, y compris les travailleurs et les chômeurs, alors tout le monde obtient un meilleur niveau de revenu et le gouvernement fédéral paie sa part des coûts. Mais il se pose des difficultés quand elles veulent augmenter seulement le niveau de ceux qui travaillent. Elles ont constaté que dans ce cas, les coûts ne sont pas partagés.

**M. David Ross (consultant, Conseil canadien du développement social):** Puis-je répondre à cette question?

**Le président:** Je vous en prie.

**M. Ross:** Je pense que les provinces répondent à des pressions, et ces pressions sont exercées dans les bureaux locaux, les bureaux du bien-être. Or, les travailleurs pauvres, si on me permet l'expression, détestent le bien-être social. Sinon, ils seraient déjà des bénéficiaires, car dans bien des cas, ils auraient de meilleurs revenus. Par conséquent, ils ne se présentent pas au bureau du bien-être et n'exercent donc pas de pression. Ils sont dans la population active et sont, dans une bonne mesure, presque invisibles. Je crois que tant qu'ils ne créeront pas de pressions en se présentant au bureau du bien-être, la province ne répondra pas à leurs besoins. Elle doit plutôt répondre d'une autre façon qui n'englobe pas les travailleurs dans le régime du bien-être social.

**Le président:** Pourriez-vous préciser ce que vous avez dit au sujet du besoin qui est établi par les provinces. Est-il vraiment établi unilatéralement par les provinces ou est-ce le résultat d'un accord? En partie, le besoin doit être reconnu par les deux gouvernements, n'est-ce pas, selon chaque province?

**M. Terrance-Hunsley:** Le fédéral exige seulement une évaluation du besoin.

**Le président:** Et il appartient entièrement au gouvernement provincial de déterminer le besoin?

**M. Terrance-Hunsley:** Il détermine le niveau du besoin.

**M. Blenkarn:** Vous avez touché à la question des prix de l'énergie. Je vois dans votre mémoire qu'à votre avis, l'effet de l'augmentation rapide des prix de l'énergie est ressenti davantage par les travailleurs pauvres et par les pauvres en général. Pourquoi cela? Pouvez-vous nous expliquer pourquoi? Ce que je veux dire, c'est que beaucoup de ces gens n'ont pas d'automobile, par exemple, et ainsi de suite. Y a-t-il un rapport



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you explain to the extent that the effect of rising energy prices has a particular effect on the poor?

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**Mr. Geoff Norquay (Director of Programs, Canadian Council on Social Development):** I think it is simply a question of the amount of disposable income that people have to devote to a rising cost like energy or food or whatever it may be in a time of rapid inflation. Those people who have average income or above-average income simply have more disposable resources to divert from other discretionary expenditures to expenditures the economists call non-discretionary. You have to heat your house; you have to drive your car.

Your point is well taken, by the way, about whether or not an individual has a car. It is extremely difficult to come up with meaningful averages when we are talking about energy price increases because of things like car ownership or not owning a car. Our estimates here assume the operation of a car. So if one did not have a car, obviously the impact would not be as great. But our estimates have also taken into account the multiplier effect of rising energy costs, some of which are readily easy to identify and readily easy to measure but others of which are not so easy—the rising cost of the diesel fuel for the farmer's tractor, the rising cost of trucking of produce to markets, the rising costs of heating the processor's plant, et cetera, et cetera.

**Mr. Blenkarn:** So your suggestion that the energy impact is higher on the poor is because of the fact that you perceive the poor as having less disposable income. It is really the question that a person who is wealthier can change his spending habits because he has room to do that . . .

**Mr. Norquay:** Yes.

**Mr. Blenkarn:** . . . not go to the show as often, not have an extra bottle of booze in the house or something of that nature.

**Mr. Norquay:** Yes.

**Mr. Blenkarn:** But the poorer person does not have anything to cut.

**Mr. Norquay:** He does not have that flexibility.

**Mr. Blenkarn:** So your position is that the former government's energy tax credit was a positive help there.

**Mr. Norquay:** Well, we had some reservations at the time, some technical reservations, about the level of the energy tax credit proposed by the former government. But yes, in general, this is one of the points we made in our response to last fall's budget, that there really was a need to do something to assist low-income Canadians in facing this rapid energy cost because they simply do not have that discretionary income to divert from one type of consumption to another.

[Traduction]

direct qui les touche particulièrement? Pouvez-vous nous expliquer pourquoi l'augmentation des prix de l'énergie a des effets particuliers pour les pauvres?

**M. Geoff Norquay (directeur des programmes, Conseil canadien du développement social):** Je dirais que c'est simplement une question du montant du revenu disponible que des gens peuvent consacrer à un coût croissant comme celui de l'énergie, des aliments ou de toute autre chose, en période d'inflation rapide. Ceux qui ont un revenu moyen ou un revenu au-dessus de la moyenne ont tout simplement plus de ressources disponibles qu'ils peuvent soustraire d'une dépense discrétionnaire pour l'affecter à ce que les économistes appellent des dépenses non discrétionnaires. Il faut chauffer la maison et conduire la voiture.

Vous avez bien raison de demander, soit dit en passant, si une personne possède une voiture ou non. Il est extrêmement difficile d'établir des moyennes valables, quand on parle des augmentations du prix de l'énergie, à cause de facteurs comme celui de la possession ou de la non-possession d'une voiture. Nos estimations sont fondées sur l'hypothèse du fonctionnement d'une voiture. De toute évidence, par conséquent, pour celui qui n'a pas de voiture, les conséquences seraient moindres. Toutefois, nos estimations ont également tenu compte de l'effet multiplicateur de l'augmentation des coûts de l'énergie, dont certains sont vraiment faciles à identifier et à mesurer, mais dont certains autres sont plus cachés—le coût croissant du combustible diesel pour le tracteur du cultivateur, l'augmentation des frais de transport des produits de la ferme vers les marchés, l'augmentation des frais de chauffage des usines de transformation, et le reste et le reste.

**M. Blenkarn:** Donc, si vous dites que les conséquences des coûts de l'énergie sont plus fortes pour les pauvres, c'est à cause du fait que selon vous, les pauvres ont moins de revenus disponibles. C'est en fait parce que la personne un peu plus riche peut changer ses habitudes de dépenses, parce qu'il y a des choses qu'elle peut couper . . .

**M. Norquay:** Oui.

**M. Blenkarn:** . . . aller au cinéma moins souvent, ne pas garder une bonne bouteille supplémentaire à la maison ou des choses de ce genre.

**M. Norquay:** Oui.

**M. Blenkarn:** Mais le pauvre, lui, n'a rien à couper.

**M. Norquay:** Il n'a aucune flexibilité.

**M. Blenkarn:** Vous dites donc que le crédit d'impôt à l'énergie proposé par l'ancien gouvernement était une mesure positive.

**M. Norquay:** Nous avions certaines réserves, à l'époque, certaines réserves d'ordre technique, quant au niveau du crédit d'impôt à l'énergie proposé par l'ancien gouvernement. Mais dans l'ensemble, oui, c'est un des points que nous avons soulevés dans notre réponse au budget de l'automne dernier, c'est-à-dire qu'il était vraiment nécessaire de faire quelque chose pour aider les Canadiens à faible revenu aux prises avec cette augmentation rapide des coûts de l'énergie, parce que



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**Mr. Blenkarn:** Well how long do you go on subsidizing a clear change in energy costs that must be reflected through the economy? Clearly, somewhere along the line, Canada is going to have to go to a much higher energy cost level. Whether that is as a result of increased taxes on the energy industry or whether it is increased payment to producers of energy or foreign governments that sell us energy, somewhere along the line that cost of energy is going to come into the system. Now, is this proposal for an energy tax credit a temporary thing or something you think should be almost permanently part of a social program?

**Mr. Ross:** I think we already have in place a good vehicle and that is the child tax credit, which is similar to the energy tax proposal. It is a program that offers a maximum benefit when your income is very low, and it is phased out at 5 cents for every dollar of your earnings over \$23,000 this year, I think, or whatever it is. I think this is basically what we would propose, that kind of a system. Whether a person is poor because energy went up or food went up or their income went down, it should be irrelevant really if the person is in need.

• 1010

**Mr. Blenkarn:** As you know, we are presently, as a federal government, making transfers to the provinces. One of the concerns of the federal government is it does not get credit for some of these transfers; the EPF transfers and some of the CAP transfers. I do not think a person on welfare really realizes that the Government of Canada is kicking in 50 cents and in Ontario the municipality 20 cents and the province 30 cents. So the federal government perceives itself as not getting credit for this. Is it your view that the federal government might be better off abandoning some of its existing transfer programs and using the funds from those programs in an extended negative income tax rebate, much the same as the child tax credit?

**Mr. Terrance-Hunsley:** I think we would want to look at the volume of a shift into a negative income tax. We have been in favour of a guaranteed annual income for some time, and we would think it is still the way to go, but clearly that has to be worked out in co-operation with provincial governments, because of the extensive interchange and interdependency of programs. I do not think the federal government can really, piecemeal, pull out of a program it has built up a commitment to over the years and then drop the money into another bucket that easily.

I might point out that the federal government has the capacity in its legislation to enforce recognition of its contributions under, I believe, both EPF and the Canada Assistance Plan. I think there have been a few instances over the past years where the federal government has not been prepared to enforce that; and that probably was a very sensible action at the time, because probably the federal government realized at

[Translation]

dans leur cas, ils n'ont pas assez de revenus pour choisir entre deux formes de dépenses.

**M. Blenkarn:** Mais jusqu'où peut-on subventionner un changement inéluctable des coûts de l'énergie qui doit se répercuter dans toute l'économie? Il est bien évident qu'à un point donné, le Canada devra se résigner à un coût plus élevé de l'énergie. Que ce soit par une augmentation des impôts de l'industrie de l'énergie ou au moyen de paiements accrus aux producteurs de l'énergie ou à des gouvernements étrangers qui nous vendent de l'énergie, d'une façon ou d'une autre, le coût de l'énergie devra se répercuter dans le système. Cette proposition d'un crédit d'impôt à l'énergie serait-elle une mesure temporaire ou plutôt un élément presque permanent d'un programme social?

**M. Ross:** Je crois que nous avons déjà en vigueur un bon instrument, celui du crédit d'impôt pour les enfants et il est semblable au crédit d'impôt proposé pour l'énergie. C'est un programme qui offre le crédit maximal à celui dont le revenu est très faible et il diminue ensuite à raison de 5 cents pour chaque dollar de revenu au-dessus de \$23,000 cette année ou quelque chose de cette nature. C'est à peu près ce que nous voulons proposer, ce genre de système. Peu importe que la personne soit pauvre parce que le coût de l'énergie a monté ou que les aliments ont monté, ou parce que son revenu a baissé, tout cela devient non pertinent si la personne est dans le besoin.

**M. Blenkarn:** Comme vous le savez, nous faisons présentement, en tant que gouvernement fédéral, des transferts aux provinces. L'une des choses qui agacent le gouvernement fédéral, c'est qu'il ne retire aucun mérite de certains de ces transferts comme ceux du FPE ou du PAC. Je pense que l'assisté social ne se rend pas compte que le gouvernement du Canada verse 50 cents, et en Ontario, sa municipalité 20 cents et la province 30 cents. C'est pourquoi le gouvernement fédéral estime qu'il ne retire pas le crédit qui lui revient. Estimez-vous que le gouvernement fédéral ferait mieux d'abandonner certains de ses programmes existants de transfert pour consacrer les fonds de ces programmes à des abattements de l'impôt sur le revenu, programmes un peu semblables au crédit d'impôt pour les enfants?

**M. Terrance-Hunsley:** Il faudrait voir tout d'abord combien coûterait un programme d'abattements fiscaux. Depuis longtemps, nous sommes en faveur d'un revenu annuel garanti et nous croyons encore que c'est la bonne solution, mais il faudrait établir le programme en collaboration avec les gouvernements provinciaux à cause de la grande interdépendance et inter-relation des programmes. Je ne crois pas que le gouvernement fédéral puisse sortir tout seul d'un programme auquel il s'est engagé progressivement au cours des années pour verser l'argent dans un autre programme.

Permettez-moi de signaler que le gouvernement a des lois qui lui donnent le pouvoir de faire reconnaître sa contribution à des programmes comme le FPE et le Régime d'assistance publique. Il y a eu certains cas, depuis quelques années, où le gouvernement fédéral n'était pas disposé à faire reconnaître de force sa participation. C'était probablement une façon de faire très plausible, probablement parce que le gouvernement fédé-

*[Texte]*

that time that it does get a fair amount of credit for the other 90 per cent of its expenditures going into direct transfer payments to individuals. But it is true that in many provinces inadequate recognition has been given to the federal contribution under these programs.

That is not a reason, in our minds. It is not enough cause to shift out of them, in particular.

**Mr. Blenkarn:** Your position is there is one taxpayer and it really does not matter to the recipient of the benefit—government is supplying it to him; it does not really matter to him whether it is federal government or provincial government or local government or whatever government.

**Mr. Terrance-Hunsley:** I guess that is valid.

**Mr. Blenkarn:** All right. Is it your position, then, that the present system of distribution of service, partly municipally in some provinces, certainly provincially in all provinces, is a better system of distribution of service than if the federal government distributed the services directly itself?

**Mr. Terrance-Hunsley:** Yes. There are variances which are clearly unwanted and unneeded in service levels and in national minimums. We think the federal government should be involved in establishing national minimums, but clearly the planning and development and implementation of services have to be responsive to local and regional priorities. We do not think a federal delivery mechanism for social services would be any great improvement.

I might point out that two years ago in what was called a meeting of experts of the European social development program, which is essentially the 14 or 15 western industrialized countries, there was consensus among those people as well that social services in general need to be planned and implemented in as decentralized a manner as possible—social services certainly including health in that area.

**Mr. Blenkarn:** So even decentralizing them down to municipal or regional levels is better than perhaps totally provincial levels, and certainly than going to a national level, other than creating some sort of a suggested national standard of excellence.

**Mr. Terrance-Hunsley:** We have always argued, I believe, that decentralizing—and provinces do in turn decentralize to a great and varying extent the delivery of these services. But there has to be some accepted social minimum in the country so people can move from one part of the country to another and not experience a complete void of a service area where it would be needed.

• 1015

**Mr. Blenkarn:** Could we explore for a moment to the extent that there are significant differences in the level of social services. You have some charts on the back. They refer to items like day care—costs to single parent per child for day care. I note in British Columbia, Alberta, and to some extent, Saskatchewan and Ontario, roughly the same costs within a

*[Traduction]*

ral avait alors réalisé qu'il obtient sa bonne part de crédit au moyen de l'autre tranche de 90 p. 100 de ses dépenses qui servent à des transferts directs à des personnes. Mais il est vrai que dans bien des provinces, on ne reconnaît pas assez la contribution fédérale à ces programmes.

Mais à notre avis, ne n'est pas une raison, ce n'est pas suffisant pour s'en retirer.

**M. Blenkarn:** Ce que vous dites, c'est que pour le contribuable, pour le bénéficiaire d'une prestation, c'est le gouvernement qui paie, et il lui importe peu de savoir si c'est le gouvernement fédéral, le gouvernement provincial, le gouvernement local ou un autre gouvernement.

**M. Terrance-Hunsley:** Oui, c'est à peu près cela.

**M. Blenkarn:** Très bien. Êtes-vous d'avis, dans ce cas, que le régime actuel de distribution des services, qui est en partie municipal dans certaines provinces et certainement provincial dans toutes les provinces est un meilleur régime de distribution des services que si le gouvernement fédéral distribuait les services directement lui-même?

**M. Terrance-Hunsley:** Oui. Il y a des disparités qui sont clairement inutiles et regrettables dans les niveaux de services et dans les minimums nationaux. Nous croyons que le gouvernement fédéral devrait participer à l'établissement de minimums nationaux, mais il est évident que la planification, le développement et la mise en vigueur des services doivent répondre à des priorités locales et régionales. Nous ne pensons pas qu'un mécanisme fédéral de prestation de services sociaux puisse constituer une grande amélioration.

J'aimerais signaler qu'il y a deux ans, à ce qu'on a appelé une réunion des experts du programme européen de développement social, programme qui regroupe essentiellement les 14 ou 15 pays occidentaux industrialisés, on s'est entendu, parmi ces spécialistes, pour dire que les services sociaux de façon générale doivent être planifiés et mis en vigueur d'une façon aussi décentralisée que possible. Et les services sociaux comprennent certainement les services de santé.

**M. Blenkarn:** Donc, une décentralisation au niveau municipal ou régional est peut-être encore meilleure que le niveau provincial et certainement meilleure que le niveau national, sauf pour ce qui est de créer une sorte de norme nationale d'excellence.

**M. Terrance-Hunsley:** Nous avons toujours soutenu qu'il fallait décentraliser—et les provinces décentralisent dans une mesure qui varie d'une province à l'autre—la prestation de ces services. Mais il faut un minimum social pour tout le pays afin que les gens puissent passer d'une région à l'autre sans risquer de se trouver complètement démunis de services.

**M. Blenkarn:** Pourrions-nous examiner un moment dans quelle mesure il y a des différences marquées dans le niveau des services sociaux. Vous avez certains graphiques en annexe. Il y est question de choses comme les garderies, les coûts de garderies par enfant pour les parents célibataires. Je vois qu'en Colombie-Britannique, en Alberta et jusqu'à un certain point



*[Text]*

few dollars. Then you have other provinces with a higher cost for day care. Is that to some extent the way those provinces are organized? What is the reason for the difference?

**Mr. Norquay:** I think in some cases it may relate to the way that they are organized. More likely, though, it may relate to the particular standards that the province has set. Day care is a service that is extremely intensive in terms of the number of people required to operate programs. Provinces have chosen different levels of staffing ratios, for example that they will require in their own publicly run daycare centres and daycare centres run by voluntary, nonprofit organizations and, indeed, also profit-making daycare operations. The differing levels of staffing ratios that they require have a direct impact on the unit cost, if you like, of day care.

**Mr. Blenkarn:** You are not telling me that Ontario and British Columbia have such a low staffing requirement that that is why it is cheap?

**Mr. Norquay:** Oh, no.

**Mr. Blenkarn:** I did not think you were, but I was looking at your chart here.

**Mr. Norquay:** Yes. There are other decisions that are involved and it depends on the level of decisions as well.

There is at the provincial level a global decision as to how many public—Ontario, or B.C., or Alberta, whichever province it is, resources on a global scale will go into programs like day care, or homes for the aged, or whatever program you are talking about. That is essentially a decision made at the provincial cabinet level.

Within programs, there is another level of decision-making that says, All right, this is a program in which it makes sense to make the user pay a certain proportion. The proportion that is then chosen has a fairly important impact on the cost to the user and the over-all public cost of the program, because those two are interrelated.

If you require a greater contribution from the user, the public subsidy is less and vice versa.

**Mr. Blenkarn:** To some extent, the public financing of daycare units is in large cities where the demand is perhaps higher. Is that one of the causes for Newfoundland's poor performance set out in this table, or is it because it is a very small province and there are very few daycare centres? The two or three daycare centres it has are very expensive.

**Mr. Ross:** Yes. I think there is only one daycare centre.

**Mr. Blenkarn:** Oh, I see. So really, the chart does not mean a heck of a lot with respect to Newfoundland.

**Mr. Ross:** With respect to Newfoundland, no. All the chart means is that there is very little daycare in Newfoundland; it is practically nonexistent.

**Mr. Blenkarn:** Would that apply to Prince Edward Island as well?

**Mr. Ross:** I am not sure, I am sorry.

**Mr. Blenkarn:** I see.

*[Translation]*

en Saskatchewan et en Ontario, les coûts sont à peu près les mêmes, à quelques dollars près. Ensuite il y a d'autres provinces où les frais de garderie sont plus élevés. Serait-ce à cause de la façon dont ces provinces sont organisées? Quelle est la raison de ces différences?

**M. Norquay:** Dans certains cas, c'est à cause de la façon dont elles sont organisées. Mais dans la plupart des cas, c'est probablement à cause des normes établies par la province. Le service de garderie est un service qui exige beaucoup de main-d'œuvre par rapport à la clientèle. Les provinces ont établi différents coefficients de personnel nécessaire, par exemple, dans leurs propres garderies publiques et dans les garderies administrées par des associations bénévoles et sans but lucratif, et aussi dans les garderies administrées sur une base d'affaire. Les différents niveaux de coefficients de personnel ont un rapport direct avec le coût quotidien de la garderie.

**M. Blenkarn:** Vous ne me dites pas que l'Ontario et la Colombie-Britannique ont un coefficient si faible que c'est ce qui explique pourquoi elles coûtent moins cher.

**M. Norquay:** Oh non.

**M. Blenkarn:** Je ne le pensais pas, mais j'examinais votre graphique ici.

**M. Norquay:** Je vois. Il y a d'autres décisions en cause et tout dépend du niveau de décision également.

Au niveau de la province, il se prend une décision globale quant au nombre de ressources publiques que l'Ontario, la Colombie-Britannique ou l'Alberta affectera, de façon globale, à des programmes, comme celui des garderies, des foyers pour vieillards ou tout autre programme. C'est essentiellement une décision qui se prend au niveau du cabinet provincial.

A l'intérieur des programmes, il y a un autre niveau de décision où l'on choisit de faire payer une certaine proportion du coût du programme par l'utilisateur. La proportion choisie a une conséquence assez importante sur le coût pour l'utilisateur et sur l'ensemble du coût public du programme parce que les deux sont reliés ensemble.

Quand on exige une plus forte contribution de l'utilisateur, la subvention publique est moindre, et vice versa.

**M. Blenkarn:** Dans une certaine mesure, le financement public des garderies se trouve dans les grandes villes où la demande est plus forte. Est-ce l'une des causes qui expliquerait la piètre performance de Terre-Neuve dans ce tableau, ou est-ce plutôt parce que c'est une très petite province où il y a peu de garderies? Les deux ou trois garderies qu'on y trouve coûtent très cher.

**M. Ross:** Oui je crois qu'il y en a une seule.

**M. Blenkarn:** Oh je vois. Dans ce cas, le graphique ne signifie pas grand-chose pour ce qui a trait à Terre-Neuve.

**M. Ross:** Pour Terre-Neuve, non. Tout ce que cela nous montre, c'est qu'il y a très peu de garderies à Terre-Neuve. En fait il n'y en a presque pas.

**M. Blenkarn:** Cela s'appliquerait-il aussi à l'Île-du-Prince-Édouard?

**M. Ross:** Je n'en suis pas sûr, je le regrette.

**M. Blenkarn:** Je vois.



[Texte]

**Mr. Terrance-Hunsley:** If I could interrupt you just for a moment and point out one thing about this particular study. This is, as far as I know, one of the first studies that shows interprovincial comparisons for daycare and it is also one of the first studies that shows any interprovincial information for any social service areas. One of the capacities that the federal government has had in its social legislation and also has not enforced over the past decade, has been the capacity to provide information on a national level of what is happening in services. This kind of information is very important—particularly with services that are decentralized, as you were mentioning before—and it has not been made available generally to the public. In most cases where the federal government has published data it has only done it on a nationally aggregated basis and the data are therefore not very useful to people in local areas. However, the federal government does have a constitutional responsibility to provide information on social conditions and in this area has not really been living up to that responsibility.

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**Mr. Blenkarn:** Or is it partly because in some parts of the country the family still looks after the kids and there are not that many cases where there are two persons working in the family or there are a number of private arrangements made . . . ?

**Mr. Terrance-Hunsley:** Those are reasons for variance in the figures very often.

**Mr. Blenkarn:** Is the major reason for variance in the figures that there is no public, massive demand for a facility in certain parts of the country?

**Mr. Terrance-Hunsley:** No, only in certain areas where there is a very small population. Generally, in relation to social services, there is the capacity in the country to have good information that is solid and significant, but it has not been coming forward.

**Mr. Ross:** I would just say, in part answer to that, that the table got left out of here somehow. It is in the text, though, and if you look at the number of day care spaces per 100 pre-school children of that age in the province, it varies from one space per 100 children in Newfoundland to a high of eight spaces in Alberta. Even in a province like Ontario, I believe it is around four spaces. So I do not think the social mores make that difference between Alberta and Ontario.

**Mr. Blenkarn:** Can I ask you to explain what I thought was a rather interesting chart, your Chart 1 at the very end of your brief in connection with the impact on wage earners of federal and provincial direct tax and transfer programs, excluding social assistance. I note that somewhere around the \$10,000 to \$11,500 income mark pretty well in every province people start becoming positive taxpayers.

**Mr. Ross:** Yes.

**Mr. Blenkarn:** Is it net taxable income you are talking about here or are you talking gross income?

[Traduction]

**M. Terrance-Hunsley:** Puis-je vous interrompre un instant pour signaler une chose au sujet de cette étude? À ma connaissance, c'est l'une des premières études qui établit des comparaisons interprovinciales en ce qui a trait aux garderies et c'est également l'une des premières études qui donne des renseignements interprovinciaux sur les services sociaux. L'un des pouvoirs que détient le gouvernement fédéral en vertu de sa législation sociale, pouvoir dont il ne s'est pas servi depuis 10 ans, c'est celui de fournir de l'information à un niveau national sur ce qui se passe dans les services. Ce genre d'information est très important surtout quand les services sont décentralisés, comme on l'a dit tantôt. Mais cette information n'a pas été rendue publique. Dans la plupart des cas, quand le gouvernement fédéral a publié des renseignements, il l'a fait seulement pour un ensemble national et cela n'est pas très utile pour les gens sur le plan local. Toutefois, le gouvernement fédéral a la responsabilité constitutionnelle de fournir des renseignements sur les conditions sociales et dans ce domaine, il ne s'est pas acquitté de cette responsabilité.

**M. Blenkarn:** Ou serait-ce en partie parce que dans certaines régions du pays, la famille s'occupe encore du soin des enfants et qu'il n'y a pas de nombreux cas où les deux parents travaillent, ou serait-ce parce que dans certains cas on se tire d'affaire entre parents . . . ?

**M. Terrance-Hunsley:** Ce sont des raisons qui expliquent les disparités dans les chiffres, bien souvent.

**M. Blenkarn:** La raison principale de toutes les disparités ne serait-elle pas qu'il n'y a pas de demande massive de services dans certaines régions du pays?

**M. Terrance-Hunsley:** Non, seulement dans certaines régions très peu peuplées. Généralement, pour ce qui a trait aux services sociaux, on est capable, dans le pays, d'obtenir une bonne information qui est solide et significative, mais elle n'a pas été publiée.

**M. Ross:** Pour répondre en partie à cela, je dirais que le tableau n'a tout simplement pas été inclus. Mais si l'on regarde le texte, on voit le nombre de places de garderies par centaine d'enfants d'âge pré-scolaire dans la province et le nombre varie d'une place par cent enfants à Terre-Neuve, à huit places en Alberta. Même dans une province comme l'Ontario, le nombre est d'environ 4 places. Je ne crois donc pas que ce soit des avantages sociaux qui expliquent cette différence entre l'Alberta et l'Ontario.

**M. Blenkarn:** Puis-je vous demander d'expliquer ce qui m'a semblé un graphique assez intéressant, votre graphique 1, à la fin de votre mémoire, concernant l'impact, pour les travailleurs, de la taxe directe et des programmes de transfert fédéraux et provinciaux, sans compter l'assistance sociale. Je vois qu'aux alentours de \$10,000 à \$11,500 de revenu, dans à peu près toutes les provinces, on commence à devenir des contribuables positifs.

**M. Ross:** Oui.

**M. Blenkarn:** Parle-t-on ici du revenu net imposable ou du revenu brut?

[Text]

**Mr. Ross:** It is gross income. What this chart does is take all the benefits that a working poor person might be entitled to, such as federal tax credit and family allowances—and for 1979 in Quebec and Saskatchewan they have some additional programs for the working poor. It includes payments into the Canada Pension Plan, payments into UIC; it includes payments into the federal tax system and the provincial tax system. So where you break even here really means where all of these benefits are cancelled out by all the costs.

**Mr. Blenkarn:** I see.

**Mr. Ross:** So it is not really gross income or net. It is your net income in a sense.

**Mr. Blenkarn:** Oh, I see what you mean.

**Mr. Ross:** Net in all of these, you know, health payments, all of these things.

**Mr. Blenkarn:** Well, I was wondering, when it says earnings at the bottom, whether that is net earnings after payment of tax or whether it is gross earnings.

**Mr. Ross:** Oh, I am sorry; that is gross earnings.

**Mr. Blenkarn:** That is gross earning.

**Mr. Ross:** You are absolutely right, yes.

**Mr. Blenkarn:** Thank you very much.

**The Chairman:** Mr. Blaikie.

**Mr. Blaikie:** Mr. Chairman, first of all I would like to thank the Canadian Council on Social Development for reminding us that we ought to be concerned about the whole context in which we are inquiring into the various social programs and for reminding us of the limits of our terms of reference and the need to transcend the terms of reference and not end up trying to design our social development according to our fiscal needs, but rather, perhaps, designing our fiscal needs in order to meet the social development needs of the country.

I am in great sympathy with everything that you said so I just have a few questions that I want to clear up.

With regard to energy prices, you are saying that you are not against higher energy prices on principle if they are accompanied by an energy tax credit or a cost-of-living tax credit, something which would offset for the foreseeable future the impact which higher energy prices would have on lower income Canadians, that that would be an acceptable energy policy to you.

• 1025

**Mr. Terrance-Hunsley:** I think we have seen higher energy prices as inevitable, but our real concern is that the impact of these changes has to be cushioned for the poor. If we do not cushion it, we will pay the cost another way anyway. So even setting aside the human suffering which that causes, the likelihood of increasing social assistance costs is very high if we do not do something to protect incomes, especially among those groups who are not protected by indexing. To some extent senior citizens may be protected, the indexing, and the cost-of-living increase, but they are protected to a certain extent from the impact of that increase. But the working poor,

[Translation]

**M. Ross:** Il s'agit du revenu brut. Ce graphique tient compte de toutes les prestations que le travailleur pauvre a le droit de toucher, tels le crédit fédéral d'impôt et les allocations familiales, et, pour 1979; au Québec et en Saskatchewan, il y a certains autres programmes pour le travailleur pauvre. Cela comprend les cotisations au Régime de pension du Canada, des cotisations à l'assurance-chômage et les versements à l'impôt fédéral et à l'impôt provincial. Le point où les deux côtés s'équivalent, c'est quand toutes les prestations atteignent le même montant que les coûts.

**M. Blenkarn:** Je vois.

**M. Ross:** Ce n'est donc réellement ni le revenu net ni le revenu brut, mais dans un sens, c'est le revenu net.

**M. Blenkarn:** Je vois ce que vous voulez dire.

**M. Ross:** C'est net dans tous les cas comme ceux des paiements pour les soins de santé et autres choses semblables.

**M. Blenkarn:** Ce que je me demandais, c'est que quand on donne le total des gains, au bas de la page, s'il s'agissait des gains nets, après impôt, ou s'il s'agit de gains bruts.

**M. Ross:** Oh pardon. Il s'agit de gains bruts.

**M. Blenkarn:** Les gains bruts.

**M. Ross:** Vous avez parfaitement raison, oui.

**M. Blenkarn:** Merci beaucoup.

**Le président:** Monsieur Blaikie.

**M. Blaikie:** Monsieur le président, j'aimerais d'abord remercier le Conseil canadien du développement social de nous rappeler que nous ne devons jamais oublier dans quel contexte d'ensemble nous devons examiner les différents programmes sociaux. Et de nous rappeler les limites de notre mandat ainsi que le besoin de transcender ce mandat pour ne pas finir par essayer de mouler notre développement social sur nos besoins fiscaux afin de répondre aux besoins de développement social du pays.

J'appuie de tout cœur tout ce qui s'est dit ici et je n'ai donc que quelques questions à tirer au clair.

En ce qui a trait aux prix de l'énergie, vous avez dit que vous n'êtes pas en principe opposé à une augmentation des prix de l'énergie si elle s'accompagne de crédits fiscaux pour l'énergie ou de crédits fiscaux pour le coût de la vie qui seraient de nature à palier, dans un avenir prévisible, les conséquences d'une augmentation des prix de l'énergie pour les Canadiens à faible revenu et vous dites que cela serait pour vous une politique énergétique acceptable.

**M. Terrance-Hunsley:** Nous avons, je pense, constaté qu'une augmentation des prix de l'énergie semblait inévitable mais notre réelle préoccupation, c'est la nécessité de palier la conséquence de ces augmentations pour les pauvres. Si nous ne pouvons amortir cette conséquence, nous en paierons le prix d'une façon ou d'une autre. Même sans tenir compte de la souffrance humaine que cela entraîne, la probabilité d'une augmentation des coûts de l'assistance sociale est très élevée si nous ne faisons rien pour protéger les revenus des groupes, en particulier, qui ne sont pas protégés par l'indexation. Dans une certaine mesure, les personnes âgées peuvent être protégées.



[Texte]

in particular, are not; they have no built-in protection, and we have to do something in that area, for sure. Otherwise we will pay the cost.

**Mr. Blaikie:** One of the things that have been said to us constantly about social services and also about health care—I think the case was made most dramatically by the Canadian Medical Association the other day, particularly about health care, but also about social services—is that the whole system is under-funded, that there is just not enough money in the system, and therefore contemplating federal cutbacks in the face of already having experienced provincial cutbacks is somewhat of a nightmare for anyone who thinks these kinds of programs are a top priority and they are indeed established programs and therefore ought not to be tampered with. My impression from groups like the Canadian Medical Association is that their solution to the problem of under-funding is more infusion of what they call “private money” into the system, whether it is through extra-billing by physicians or through user fees, et cetera. Now, I have done some thinking about that since they presented it, and it seems to me in spite of the obvious philosophical preference many of them have for private money, in some cases their suggestion of private money as a solution is based on their uncritical acceptance of the limits to government revenue; that is, the revenue picture the government says it is in: that is to say, we have come to the limits of the amount of money we are able to raise for social programs and for health care, therefore if there is not enough money, we must move to the private sector for the increased money necessary.

My question to you is whether you accept the revenue picture, the federal revenue picture, upon which the work of this committee is based, or whether you find that revenue picture to be a political choice rather than a fact of life.

**Mr. Terrance-Hunsley:** I think we are saying fairly clearly that we think government in total is going to be spending more money on social programs over the next few years whether it wants to or not, as long as we maintain any kind of standards even in social assistance. But the question may be whether we are prepared to make some up-front investments in the development of services and preventive programs, which may alleviate these other costs coming back to us later on. So in a way there is hardly a choice. We are going to have to spend more money in the area.

I might just pick up on your reference to the health-care system and point out that there is an interface between the health services and the social services which may be quite important. We have alluded to it already. It is the necessity to invest in a number of preventive or community-based services, such as home-care, home-support, home-help services, in some

[Traduction]

Dans leur cas, il y a certainement un écart entre la protection, c'est-à-dire l'indexation et l'augmentation du coût de la vie, mais dans une certaine mesure ils sont protégés contre l'impact de cette augmentation. Mais les travailleurs pauvres, en particulier, ne le sont pas. Ils n'ont aucune protection automatique et il faut faire quelque chose pour eux, c'est certain. Autrement, nous devons en payer le coût.

**M. Blaikie:** L'une des choses qu'on nous répète constamment au sujet des services sociaux et aussi au sujet des soins de santé—je crois que l'Association médicale canadienne a très clairement exposé, l'autre jour, la situation des soins de santé, mais il y a aussi les services sociaux—, c'est que tout le régime est sous-financé, c'est qu'il n'y a tout simplement pas assez d'argent dans le régime et par conséquent, envisager des coupures fédérales, après des coupures provinciales déjà connues, c'est un peu comme un cauchemar pour celui qui pense que les programmes de ce genre sont une première priorité, que ce sont vraiment des programmes établis auxquels il ne faudrait absolument pas toucher. L'impression que je garde de groupes comme l'Association médicale canadienne, c'est que leur solution au problème du sous-financement consiste en une infusion de ce qu'ils appellent des fonds privés dans le régime, que ce soit au moyen de la facturation supplémentaire par les médecins, ou au moyen du ticket modérateur. J'ai réfléchi à cette solution depuis qu'ils nous l'ont proposée, et il me semble qu'en dépit de l'évidente préférence philosophique manifestée par beaucoup d'entre eux pour des fonds privés, dans certains cas ils proposent des fonds privés comme solution parce qu'ils reconnaissent carrément les limites des revenus gouvernementaux. C'est-à-dire que le gouvernement nous dépeint le tableau de ses revenus en disant que nous avons atteint la limite des sommes que nous pouvons consacrer à des programmes sociaux et aux soins de santé, que par conséquent s'il n'y a pas assez d'argent, nous devons nous tourner vers le secteur privé pour obtenir les fonds nécessaires.

Ce que je veux vous demander, c'est si vous acceptez le tableau que le gouvernement fédéral nous fait de ses revenus et en fonction duquel le travail de notre comité est établi, ou bien si vous trouvez que l'état des revenus est un choix politique plutôt qu'un fait concret.

**M. Terrance-Hunsley:** Nous disons pas mal clairement qu'à notre avis, les gouvernements, d'ici quelques années, vont dépenser plus d'argent pour les programmes sociaux, qu'ils le veuillent ou non, si nous voulons maintenir des normes admissibles, même pour l'assistance sociale. Mais la question qu'il faut se demander, c'est peut-être si nous sommes prêts à faire aujourd'hui certains investissements dans le développement de services et de programmes préventifs qui pourraient nous éviter certains coûts plus tard. D'une certaine façon, nous n'avons guère le choix. Et il nous faudra dépenser plus d'argent dans le domaine.

Permettez-moi de revenir à votre mention du régime de soins de santé pour signaler qu'il y a un point commun entre les services de santé et les services sociaux et que c'est peut-être assez important. Jusqu'ici, nous y avons seulement fait allusion. Je veux parler de la nécessité d'investir dans des services communautaires préventifs comme les soins à domi-



*[Text]*

ways as an alternate to institutionalized services. In that area, those kinds of services, depending on the province, may be funded through either the health care system or the social service system. There was an intent of the federal government, until two years ago, to inject more money into the social service system to allow for the development of those kinds of services. There was an agreement in a federal-provincial conference, I believe in 1978, among the federal government and the provincial governments that the federal government would increase spending for those kinds of services to the tune, then, of about \$150 million per year. The federal government, later on that year, withdrew from that commitment and, in effect, cut back on that level of spending.

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I have noticed that more recent Canada Assistance Plan figures show that that increased investment that was needed for those services has not gone into the system from the provincial level, so in effect that \$150 million per year cut has been maintained throughout the system, and therefore there has not been the development of those kinds of services that might alleviate increasing health costs later on. So we do need to consider up-front moneys for investing in those kinds of services.

**Mr. Blaikie:** It is not the case, then, that the governments spend whether they like it or not. I am a little concerned. You say that they are going to have to spend on social services whether they like it or not. Clearly, they can spend a whole lot less than they ought to, or a whole lot less than they need to.

**Mr. Terrance-Hunsley:** We are really saying that there will be social costs, the country will absorb social costs one way or another.

**Mr. Blaikie:** Yes, but even the extent to which they absorb those social costs or just allow them to be expressed in human suffering, rather than absorbed sort of collectively, will again be an option and not something that has the air of necessity about it.

**Mr. Norquay:** I think one can probably distinguish between areas of social spending that are truly discretionary and those that are much less discretionary. The point we made on page 16, about the current population projections and what these will do, given the current utilization rates of hospital beds for people over 65, if there are not some alternatives to putting elderly people in hospital, is one that I would see as being a lot less discretionary than, say, expenditures on day care. The fact is that we know now that, given the number of people over 65 at future points, if we do not have more hospital beds and if elderly people, in the absence of those community services, end up inappropriately in hospital, the estimates are quite startling: 59 per cent of all hospital beds by 1991; 71 per cent by 2001; and at some time in the 21st century, in effect, no one under 65 will be able to get into a hospital because all those beds will be taken up by people over 65. To me, that is a somewhat less discretionary thing coming at us down the road than some other social expenditures. Some people in the social development field might not like to hear it put that way, but I think in

*[Translation]*

cile, les soutiens de foyers, les services d'aide à domicile, pour remplacer dans certains cas des services institutionnels. Dans ce domaine, des services de ce genre, selon la province, peuvent être financés par le régime des soins de santé ou par le régime du service social. Le gouvernement fédéral avait l'intention, jusqu'à il y a deux ans, d'injecter davantage de fonds dans le régime social pour permettre le développement de services de cette nature. On avait conclu un accord, lors d'une conférence fédérale-provinciale, en 1978, sauf erreur, entre le gouvernement fédéral et les provinces, accord selon lequel le gouvernement fédéral devait augmenter ses dépenses pour ce genre de services au rythme d'environ \$50 millions par année. Plus tard cette année-là, le gouvernement fédéral s'est retiré de cet engagement et en fait, a coupé dans ce secteur de ses dépenses.

J'ai vu, d'après des chiffres récents du régime d'assistance publique du Canada, que les investissements accrus qui étaient nécessaires pour ces services ne sont pas venus non plus des gouvernements provinciaux de sorte que la coupure de \$150 millions par année s'est fait ressentir dans tout le régime et qu'on n'a pas créé les services comme ceux qui pourraient nous éviter plus tard une augmentation des coûts des soins de santé. Il nous faut donc songer à trouver des fonds pour investir dans ce genre de services.

**M. Blaikie:** Il ne faudrait donc pas dire que les gouvernements dépensent, qu'ils le veulent ou non. Vous me voyez perplexe. Vous dites qu'ils devront dépenser pour les services sociaux, qu'ils le veulent ou non. Il est évident qu'ils peuvent dépenser beaucoup moins qu'ils ne le pourraient ou, beaucoup moins qu'ils ne le devraient.

**M. Terrance-Hunsley:** Nous disons au fond qu'il y aura des coûts sociaux et que le pays devra absorber des coûts sociaux d'une façon ou d'une autre.

**M. Blaikie:** Oui, mais même la mesure dans laquelle on choisit d'absorber ces coûts sociaux ou de les laisser s'exprimer par de la misère humaine, au lieu de les absorber collectivement, deviendra de nouveau une option et non une chose qui est absolument nécessaire.

**M. Norquay:** Je crois que l'on pourrait distinguer entre des dépenses sociales qui sont vraiment discrétionnaires et celles qui le sont moins. Ce que nous avons fait ressortir à la page 16 au sujet des projections du niveau actuel de la population et de ce qui arrivera, vu le taux actuel d'utilisation des lits d'hôpitaux pour les gens de plus de 65 ans, s'il n'y a pas d'autre choix que d'hospitaliser les personnes âgées, c'est une chose qui devrait, à mon sens, être beaucoup moins discrétionnaire que, par exemple, les dépenses de garderies. Le fait est que nous savons dès maintenant que vu le nombre de citoyens de plus de 65 ans à certaines dates dans l'avenir, si nous n'avons pas davantage de lits d'hôpitaux et si les personnes âgées, en l'absence de ces autres services communautaires, sont hospitalisées quand elles ne devraient pas l'être, les estimations sont assez effrayantes: 59 p. 100 de tous les lits d'hôpitaux en 1991; 71 p. 100 en 2001; et quelque part au cours du 21<sup>e</sup> siècle, personne de moins de 65 ans ne pourra entrer à l'hôpital parce que tous les lits seront occupés par des personnes de plus de 65 ans. A mes yeux, c'est une chose qui nous attend dans l'avenir

## [Texte]

reality there are some things that governments will not be able to avoid, simply because of age and population ratios.

**Mr. Blaikie:** Mr. Chairman, getting back just for a second to what I mentioned before, the revenue picture, I really did not get from the delegation whether they thought the government was, indeed, at its limits as far as the raising of money for social programs is concerned. It seems to me that the only thing that could be said of the present sort of historical moment is that we have arrived at some kind of crossroads. We have been able, until now, to fund a great many of the social programs and health care, et cetera, because of reliable and increasing economic growth. We could distribute the incremental benefits of that growth without ever really having to change the relationship between the rich and the poor, and as you have pointed out, the relationship between the rich and the poor has not really changed all that much, in fact, it may be starting to get worse again. We are at a crossroads, in the sense that now, in the absence of that kind of growth, we are really going to have to decide whether we want these kind of programs and we are really going to have to have a redistribution of wealth in order to have them and not just a redistribution of increment.

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What I see happening, not just at the federal government level but certainly already at the provincial government level, as you were saying, is, no economic growth no social programs, and until the economy picks up again we are not going to share, we are not going to look after each other, we are going to keep cutting back, cutting back, cutting back. So what I am asking is, one, whether you have any comment on that analysis, and, two, whether or not you see ways out of that dilemma other than cutting back?

**Mr. Ross:** It is an extremely difficult question that you have posed, naturally. There is always the debate that has been going on for years and years as to whether or not a government has reached its fiscal capacity. It has been going on for 30 years. I would make just two comments. One is, as we have mentioned, that in terms of other industrialized countries Canada certainly does not rank anywhere near the top, it barely ranks in the middle. So somehow other countries can manage to spend more than Canada can and still maintain higher economic growth. Canada is not a world leader anymore in terms of economic growth either, so these other countries have done reasonably well.

The second comment I would like to make, without being argumentative, if I can, is that in terms of federal spending health, education and welfare make up around 40 per cent. Why is it that it is this 40 per cent that always gets picked on? What happens to the other 60 per cent of federal spending? I can make an argument that education, health and, to perhaps a less significant extent, social assistance is just as valuable to economic growth. If you have an unhealthy workforce, where

## [Traduction]

et c'est bien moins discrétionnaire que certaines autres dépenses. Certains agents du développement social n'aimeront peut-être pas entendre ces choses, mais en réalité, ce sont des choses que les gouvernements ne peuvent pas éviter, simplement à cause de l'âge et des coefficients de population.

**M. Blaikie:** Monsieur le président, pour revenir à ce que ce dont je parlais tout à l'heure, l'état des revenus, je n'ai pas entendu la délégation me dire si à son avis le gouvernement était vraiment à la limite de ce qu'il peut faire pour prélever des fonds pour les programmes sociaux. La seule chose que nous puissions dire au sujet du moment présent qui est en quelque sorte historique, c'est que nous sommes à une croisée des chemins. Nous avons réussi jusqu'à présent à financer beaucoup de programmes sociaux et de soins de santé, et le reste, parce que nous pouvions compter sur une croissance économique constante. Nous avons pu répartir les bénéfices de cette croissance sans vraiment rien modifier aux relations entre les riches et les pauvres et, comme vous l'avez dit, les rapports entre riches et pauvres n'ont pas vraiment changé, si ce n'est qu'ils ont peut-être recommencé à empirer. Nous sommes à une croisée des chemins en ce sens que vu que cette sorte de croissance n'existe plus, il nous faudra décider si nous voulons ce genre de programme et il nous faudra vraiment procéder à une répartition des richesses pour les financer et ce ne sera plus seulement une répartition des bénéfices de la croissance.

Ce qui arrivera, selon moi, non seulement au niveau du gouvernement fédéral, mais on le voit déjà au niveau du gouvernement provincial, c'est, comme vous l'avez dit, sans croissance économique, pas de programme social et tant que l'économie n'aura pas redémarré, nous ne partagerons plus, nous ne prendrons plus soin les uns des autres, nous allons continuer à couper, couper, couper. Ce que je demande, donc, c'est si vous avez des commentaires à faire au sujet de cette analyse et deuxièmement, si vous connaissez à ce dilemme d'autres solutions que les coupures budgétaires?

**M. Ross:** Vous posez là une question extrêmement difficile. Naturellement, on discute depuis bien des années sur la question de savoir si le gouvernement a vraiment atteint sa capacité fiscale. Le débat dure depuis 30 ans. J'aimerais faire seulement deux commentaires. Premièrement, comme vous l'avez mentionné, par rapport à tous les pays industrialisés, le Canada n'est certes pas parmi les premiers. Il se situe tout simplement au milieu. Donc, d'autres pays s'arrangent pour dépenser plus que le Canada tout en maintenant une croissance économique plus élevée. Le Canada n'est plus un chef de file mondial pour ce qui est de la croissance économique non plus. Ces autres pays ont donc assez bien réussi.

Le deuxième commentaire que j'aimerais faire sans me lancer dans un argument, si c'est possible, c'est que par rapport aux dépenses fédérales, la santé, l'éducation et le bien-être représentent environ 40 p. 100. Pourquoi est-ce toujours ce 40 p. 100 qui est remis en cause? Qu'arrive-t-il du reste, du 60 p. 100 des dépenses fédérales? je pourrais démontrer que les soins de santé, l'éducation et peut-être dans une mesure moindre, l'assistance sociale, sont tout aussi importants



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is your economic growth going to come from, even though you have a massive system of highways and flyovers to get trucks through? Why is it this sector that always has to pay the price?

**Mr. Blaikie:** Mr. Chairman . . .

**The Chairman:** I will comment on that a little later.

**Mr. Ross:** Okay.

**Mr. Blaikie:** . . . a final comment. Do not be apologetic about being argumentative, in fact, I am trying to get you to be more argumentative. I find that these witnesses are not easily led. I am referring by implication, and now explicitly, to what has been called the hidden welfare system, the many, many billions of dollars that are given out by the government every year through the noncollection of taxes, for instance. I am suggesting, indeed, that that 40 per cent is always picked on because there is this other section of government expenditures that seems to be sacred. Every once and a while it is sort of revamped, so that people get the impression that there are some changes, through phony Canadianization programs, or something like that, but the money is still there, it is still going, 83 cents on the dollar, or whatever it is, to corporations for exploration, all that kind of money is still being spent and is not touched. So when we come to this crossroads, the first inclination of governments is to hit the social programs, and hit health care spending, and other sorts of spending of that variety. My own opinion, and I wanted to see whether or not you shared it, was that it was to those tax expenditures that we ought to look for the money, that Mr. MacEachen wants to save, and which Mr. MacEachen wants in order to restore what he perceives as a fiscal imbalance.

**Mr. Terrance-Hunsley:** I believe Mr. MacEachen said at the time of the federal budget that he wanted to introduce an updated tax expenditure budget and he wanted to look clearly into that area and make it plain to Canadian citizens how much money is actually going to various income levels because of not collecting taxes, rather than because of spending tax moneys. I think we should give him all the assistance we can in doing that, because certainly the tax expenditure side of the fiscal framework that the government works in is extremely important. There have been a number of analyses done on inadequate information over the last years, because I think there has been only one real effort at coming out with something substantive in that area to show where tax expenditures are going. The analyses that have been done indicate that the moneys going in tax expenditures are certainly not helping the poor. So, clearly, we would like as well to see that kind of development, that kind of a budget in the system.

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[Translation]

pour la croissance économique. Si vous avez des travailleurs en mauvaise santé, d'où viendra votre croissance économique, même si vous avez un impressionnant réseau de routes et d'échangeurs pour faire passer vos camions? Pourquoi est-ce toujours ce secteur qui doit payer le prix?

**M. Blaikie:** Monsieur le président . . .

**Le président:** Je dirai quelques mots à ce sujet plus tard.

**M. Ross:** C'est très bien.

**M. Blaikie:** Un dernier mot. Ne vous excusez pas si vous voulez amorcer un argument. En fait, j'essaie de vous amener dans une discussion. Ces témoins ne se laissent pas mener. Je fais des allusions ou plutôt je parle explicitement de ce qu'on appelle le régime de bien-être parallèle, les milliards et les milliards de dollars que donnent les gouvernements chaque année au moyen des impôts non perçus, par exemple. Je dirai que ce secteur de 40 p. 100 est toujours remis en cause parce qu'il y a cet autre secteur des dépenses gouvernementales qui semble sacré. De temps en temps, il est amélioré ou fardé de sorte que les gens ont l'impression qu'il y a des changements comme, par exemple, au moyen de programmes fictifs de canadianisation. Mais les fonds sont encore là, ils y passent à raison de 83 cents par dollar, peu importe le taux, versé à des sociétés pour l'exploration et cet argent est dépensé sans être touché. Donc, à cette croisée des chemins, les gouvernements sont d'abord portés à couper les programmes sociaux, les soins de santé et les autres dépenses de cette nature. Mon opinion personnelle, et je voulais savoir si vous la partagez, c'est que c'est du côté de ces dépenses fiscales que nous devrions nous tourner, ces dépenses que M. MacEachen veut protéger, mais c'est là que sont les fonds dont il a besoin pour rétablir ce qu'il considère comme un déséquilibre fiscal.

**M. Terrance-Hunsley:** Sauf erreur, au moment du budget fédéral, M. MacEachen a dit qu'il comptait présenter un budget mis à jour des dépenses fiscales, qu'il voulait étudier ce secteur et expliquer clairement aux Canadiens combien de fonds vont à divers niveaux de revenus à cause des impôts non perçus plutôt qu'à cause des dépenses fiscales. Nous devrions l'aider de notre mieux à y parvenir parce que dans tout l'appareil fiscal du gouvernement, ces dépenses fiscales sont un facteur extrêmement important. Il y a eu diverses analyses fondées sur des renseignements insuffisants ces dernières années parce qu'à mon avis, on a vraiment essayé seulement une fois d'aboutir à des solutions importantes dans ce domaine pour montrer où vont les dépenses fiscales. Les analyses démontrent que les fonds engagés dans les dépenses fiscales n'aident certainement pas les pauvres. Nous aimerions donc voir arriver ce genre de budget nouveau dans le système.

I wanted, if I could, to just point out one other thing and you expressed it in your assumption in a way, that economic growth supports programs, that if you have a lot of economic growth you can afford to buy more social programs. That is an assumption I think we should challenge, because from our point of view social programs are really a method of collective consumption. We work on a production and a consumption

Si vous le permettez, j'aimerais soulever une autre chose dont vous avez parlé quand vous avancez que la croissance économique supporte des programmes, qu'en temps de grande croissance économique, on a le moyen d'acheter plus de programmes sociaux. C'est une hypothèse qu'on pourrait contester parce qu'à notre avis, les programmes sociaux sont au fond une méthode de consommation collective. Nous avons un système



*[Texte]*

system and we choose how much of our consumption is regulated and carried out through social programs and how much of our consumption is carried out by individuals, either in the marketplace, through tax expenditure or what-have-you. The decision should not really be seen as a sort of positive cost for economic growth and a sort of negative cost for social programs because those costs can very well be complementary in the marketplace.

**The Chairman:** Mr. Thacker.

**Mr. Thacker:** No, thank you. My question has been answered.

**The Chairman:** I believe Mr. Hunsley, who is a fellow New Brunswicker, or at least for a while was, will understand that when Mr. Ross questions the necessity of concentrating more fiscal resources in the economic development field, that I do not discount his assertion and I do not really reject it, that social planning can also be a problem of economic growth because you have healthier workers and better motivated people if they have what they need for a living. But in some parts of the country, including my own, where it is not as broad a shift as that—if you do not have proper roads to transport your lumber it means that you will cut less lumber, and because it is going to be too expensive you will not be able to compete and therefore we will have more people unemployed—more timbermen unemployed. That is the kind of difficulty that we find ourselves in, and I think it is one of the reasons why there has to be a concentration in the economic development envelope, not only for general micro-economic reasons, but because in some parts of the country there is such a need for economic development. I just wanted to make that point Mr. Hunsley, you say on page 10 of your brief:

Many Canadians are fearful that the federal government no longer cares about national standards in such programs as medicare . . .

Where do you see any evidence of that, that the federal government does not care any more about national standards?

**Mr. Terrance-Hunsley:** I think we were referring, in this case, to some of the findings of the recent Hall Commission, or our interpretation of his findings, that he found across the country a consistent concern, not only that the federal government should maintain a strong role in medicare, but that the standards of care be guaranteed to people and that they be available, for the most part, through public moneys. I believe, it is fair to say that a good many Canadians see extra billing in one area as one indication of the erosion of public commitment to this program.

**The Chairman:** You realize, I am sure, that the extra billing could have been carried out under the old system. In fact, no federal law has been changed since 1977 on medicare or hospitalization. The only thing that changed was the fiscal mechanism through which the money was disbursed. The difference is, and perhaps it was a psychological factor, that the provinces do not have to send in a claim any more and federal bureaucrats do not check the claim before they send the cheque. That is the only change that has happened. Now

*[Traduction]*

de production et de consommation et nous décidons du niveau de consommation qui sera canalisé par les programmes sociaux et du niveau de consommation qui sera fait par des personnes, soit sur les marchés, par des dépenses fiscales, et le reste. La décision ne devrait pas être considérée comme une sorte de coût positif pour la croissance économique et une sorte de coût négatif pour les programmes sociaux, car ces coûts peuvent très bien être complémentaires sur les marchés.

**Le président:** Monsieur Thacker.

**M. Thacker:** Non, merci. J'ai obtenu ma réponse.

**Le président:** Je crois que M. Hunsley, qui est un compatriote du Nouveau-Brunswick, ou qui l'a été un certain temps, comprendra que quand M. Ross met en doute la nécessité de concentrer plus de ressources fiscales dans le développement économique, je ne rejette pas son hypothèse et ne repousse pas l'idée que la planification sociale peut également être un problème de croissance économique, car on a des travailleurs en meilleure santé et plus motivés s'ils ont obtenu ce dont ils ont besoin pour vivre. Mais dans certaines parties du pays, y compris dans ma région, où les écarts ne sont pas tellement grands, s'il n'y a pas de route pour transporter le bois, cela veut dire qu'on coupera moins de bois et ainsi, comme il sera plus cher, vous ne pourrez pas soutenir la concurrence et vous aurez plus de chômage, plus de bûcherons en chômage. C'est le genre de difficulté qui se pose à nous et c'est l'une des raisons qui explique pourquoi il faut une concentration dans l'enveloppe du développement économique, non seulement pour des raisons générales microéconomiques, mais parce que dans certaines parties du pays, il y a un vrai besoin de développement économique. Je tenais à exprimer cette idée. Monsieur Hunsley, vous dites à la page 10 de votre mémoire:

Beaucoup de Canadiens craignent que le gouvernement fédéral ne se préoccupe plus des normes nationales pour des programmes comme les soins médicaux . . .

Où voyez-vous des signes en ce sens, c'est-à-dire que le gouvernement fédéral ne se soucie plus guère des normes nationales.

**M. Terrance-Hunsley:** Nous nous référons, dans ce cas, à certaines constatations de la récente Commission Hall, ou plutôt à notre interprétation de ces constatations, soit qu'il a été constaté qu'un peu partout au pays la même inquiétude, soit que non seulement le gouvernement fédéral devrait maintenir un rôle majeur dans le programme des soins de santé, mais que les normes de soins devraient être garanties à tous et être disponibles, en grande partie, au moyen de deniers publics. Il n'est pas exagéré de dire que pour beaucoup de Canadiens, la facturation supplémentaire, dans une région, constitue un indice d'érosion de l'engagement public envers ce programme.

**Le président:** Vous savez, j'en suis certain, que la facturation supplémentaire aurait pu se faire en vertu de l'ancien régime. En fait, aucune loi fédérale n'a été modifiée depuis 1977 au sujet des soins de santé ou de l'hospitalisation. Tout ce qui a changé, c'est le mécanisme fiscal par lequel les fonds sont déboursés. La différence, et c'est peut-être un facteur psychologique, c'est que les provinces n'ont plus à envoyer une demande et que les bureaucrates fédéraux ne vérifient plus la demande avant d'envoyer le chèque. C'est le seul changement.

[Text]

that may have had a psychological effect—the provinces felt, well, the feds cannot touch us any more, the money is going to come anyway. But, on the part of the federal Parliament and the federal government, there has been no change in the conditions of medicare and hospitalization, and there has been no abandonment of the need for them. I would like to have your comments on that, but also to ask you if you feel that the federal presence is essential in these programs and whether the present kind of arrangements, like EPF, are sufficient to assure this federal presence in the maintenance of national standards?

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**Mr. Norquay:** I think the critical point centres on a couple of issues. First, the difference between cost sharing and block funding. Within that issue, the key problem that I think the federal government and the Minister of National Health and Welfare faced is that in the switch from cost sharing to block funding in EPF, with regard to health, there was no consideration given to the question of enforcement.

As we understand it, essentially the Minister of National Health and Welfare or the federal government have no enforcement alternatives other than stopping all payments to the provinces, and that I think everybody would agree is a very blunt instrument with which to react. I think it is quite true that there was perhaps a psychological relationship between cost sharing and the response of the provinces to ensure that such practices as extra billing were kept "under control", but I think the big problem facing the federal government at the present time is that there is no enforcement mechanism in place short of chopping off all funds to the provinces, and that really would be a fairly major step.

**The Chairman:** I do not even think you could do that unless you could prove, under the provisions of the Medical Care Act, all those conditions. There is a process to go through, but it is a very cumbersome process.

**Mr. Norquay:** Yes.

**The Chairman:** That leads me to my other question. It is a very cumbersome process and very difficult to prove. I was not in the House of Commons when the Medical Care Act was passed the first time but I was there when the process of signing the agreements with the provinces were coming in, but I am told that even in those days it was felt that the conditions should be very board, very flexible. The reason for that is precisely because we were in areas of provincial jurisdiction and that unless they were very broad and very flexible and recognized the need for flexibility within the provinces and respected their autonomy the program could not have gotten off the ground. In your view, what do we do in the absence of agreement on national standards, because you realize that just to pass an act in Parliament has some very rigid standards that you and I may agree on. I am a federal member of Parliament and I want strong national standards, but strong standards that the provinces are going to say, look, we are not going to buy this, it is in our jurisdiction, we are going to take you to court and you have no business at all telling us what to do. So,

[Translation]

Mais il y a eu un effet psychologique, en ce sens que les provinces se sont dit que les bureaucrates fédéraux ne peuvent plus rien faire et que les fonds vont venir quand même. Mais du côté du Parlement fédéral et du gouvernement fédéral, il n'y a eu aucun changement dans les conditions des soins de santé et de l'hospitalisation et on n'a pas cessé d'en reconnaître la nécessité. J'aimerais entendre vos commentaires à ce sujet et j'aimerais vous demander si, à votre avis, la présence fédérale est essentielle dans ces programmes et si les dispositions actuelles comme le FPE sont suffisantes pour assurer la présence fédérale dans le maintien des normes nationales?

**M. Norquay:** Le point critique se résume à une ou deux questions. Premièrement, la différence entre le partage des frais et le financement en bloc. À cet égard, le problème fondamental rencontré par le gouvernement fédéral et le ministre de la Santé nationale, c'est que dans le passage du partage des frais au financement en bloc du FPE, en ce qui a trait à la santé, on n'a pas accordé assez d'attention à l'exécution.

Si je comprends bien, le ministre de la Santé nationale et le gouvernement fédéral n'ont aucun autre moyen de contrainte que de bloquer les paiements aux provinces ce qui, on le reconnaîtra, serait un moyen assez brutal de réaction. Il est tout à fait exact qu'il y a eu un rapport psychologique entre le partage des frais et la réponse des provinces visant à s'assurer que des pratiques comme la facturation supplémentaire serait gardée à un niveau raisonnable, mais le grand problème qui se pose au gouvernement fédéral, en ce moment, c'est qu'il n'y a aucun mécanisme d'exécution à part celui de couper les vivres aux provinces ce qui serait un moyen passablement radical.

**Le président:** Je pense même que vous ne pourriez pas le faire, à moins de prouver toutes ces conditions aux termes des dispositions de la loi sur les soins médicaux. Il y a toute une procédure à suivre et elle est très difficile à réaliser.

**M. Norquay:** Oui.

**Le président:** Cela m'amène à mon autre question. C'est une procédure très difficile à suivre pour établir une preuve. Je n'étais pas à la Chambre des communes quand la Loi sur les soins médicaux a été adoptée la première fois, mais j'y étais quand on a défini la procédure de signature des accords avec les provinces, et on m'a dit que même à cette époque, on pensait que les conditions devraient être très larges, très souples. La raison, c'est précisément qu'on était dans un domaine de compétence provinciale et que si les conditions n'étaient pas très générales et très souples, et si l'on ne reconnaissait pas le besoin de souplesse à l'intérieur des provinces et si l'on ne respectait pas leur autonomie, le programme n'aurait même pas vu le jour. À votre avis, que fait-on en l'absence d'une entente sur des normes nationales, car comme vous le comprendrez, adopter une loi au Parlement, cela comporte déjà des normes très rigides sur lesquelles vous et moi pouvons nous entendre. Je suis membre du Parlement fédéral et je veux des normes nationales fortes, mais alors, les provinces pourraient refuser nos propositions en disant que la question est de leur



[Texte]

we are in a situation where we need voluntary agreement on standards. What do we do in the absence of voluntary agreement?

**Mr. Terrance-Hunsley:** I think you have a number of options you can look at here, and I do want to underscore that getting out adequate information on what really is happening from province to province is one of the very important ones. Let me just take one step back, though, because you were saying there was not an awful lot of difference between block funding and cost sharing in relation to the processes, it is whether someone sends in a form or not.

**The Chairman:** Legally.

**Mr. Terrance-Hunsley:** Yes, but legally under the cost-sharing mechanism, if a province wanted to decrease its funding to one area and allow extra billing to take up the slack, when it decreased one dollar of its expenditures it was also decreasing one dollar of income from the federal government I think that was a strong deterrent to that sort of a thing. Now, the necessity of going to a block funding was positive in recognizing that there were some efficiencies possible in the delivery of services that provinces could make and so they should not necessarily be tied to that kind of a mechanism if they wanted to decrease funding in one area, institutions for example, and increase in another. However, the level of the block fund itself was established, with a growth formula, on the assumption that there was a need for growth in that area; and I believe that assumption was accepted by both provincial and federal governments. What was lacking was the spelling out of the assumption that the federal government was increasing the money going into the pot because services needed to be developed and the provinces should be expected to increase their investment as well. That assumption was simply never spelled out.

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At this point, I think the federal government does have options to look at. It is not a matter of a block fund on one side or conditional cost-sharing on the other. There is an option of going to a block-funding mechanism where provinces do not have to go on a claim-for-claim basis but there is a clear indication of matching funds going into the sector, for example.

**The Chairman:** You mean earmarking. Block-funding may be...

**Mr. Terrance-Hunsley:** There is a block-funding earmarking mechanism. There have also been in the past, I think, suggestions in the social service areas that the federal government might want to look at developmental funding; at block-funding of certain basic levels of services and providing developmental funding for provinces that do not have the financial resources to come up to those levels of services...

[Traduction]

compétence, qu'elles poursuivront le fédéral devant les tribunaux et qu'il n'a pas à leur dire quoi faire. Dans ce domaine donc nous avons besoin d'une entente volontaire sur les normes. Mais que faisons-nous en l'absence d'une entente volontaire?

**M. Terrance-Hunsley:** Différentes options s'offrent à nous et j'aimerais souligner que le fait d'obtenir de bons renseignements sur ce qui se passe en réalité dans les différentes provinces est vraiment très important. Permettez-moi de revenir en arrière un peu. Vous avez dit qu'il n'y a pas une énorme différence entre le financement en bloc et le partage des frais pour ce qui a trait aux procédures. La différence est de savoir si on envoie une formule ou non.

**Le président:** Légalement.

**M. Terrance-Hunsley:** Oui, mais légalement en vertu du partage des frais, si une province voulait diminuer son financement dans un secteur et permettre la facturation supplémentaire pour couvrir la différence, dès qu'elle diminuait d'un dollar ses propres dépenses, elle diminuait aussi d'un dollar le revenu provenant du gouvernement fédéral. C'était un puissant moyen de prévenir cette sorte de chose. La nécessité de passer au financement en bloc était d'ordre positif, en ce sens qu'on reconnaissait certaines efficacités possibles, pour les provinces, dans la livraison des services, et que par conséquent elles ne devraient pas être nécessairement liées par cette sorte de mécanisme si elles voulaient diminuer le financement dans un secteur, dans celui des institutions, par exemple, pour augmenter dans un autre secteur. Toutefois, le niveau du financement en bloc a été établi avec une formule de croissance en se fondant sur l'hypothèse qu'il y avait un besoin de croissance dans ce secteur. Et cette hypothèse a été acceptée par les provinces et par le gouvernement fédéral. Cependant, on a oublié de bien préciser que si le gouvernement fédéral augmentait ses versements, c'est parce qu'il était nécessaire de créer certains services et que les provinces devraient, elles aussi, augmenter leurs versements. Cela n'a vraiment jamais été précisé.

Il reste maintenant au gouvernement fédéral certaines options à envisager. Il ne s'agit pas d'un financement en bloc d'un côté ou de frais partagés conditionnels d'un autre. Il y a l'option de passer à un mécanisme de financement en bloc en vertu duquel les provinces n'ont pas à expliquer chaque réclamation, mais où il est très clair qu'elles doivent faire des versements égaux à ceux du fédéral pour chaque secteur, par exemple.

**Le président:** Vous parlez de versements destinés à des secteurs particuliers. Le financement en bloc peut...

**M. Terrance-Hunsley:** Il y a un mécanisme de financement en bloc pour des secteurs particuliers. Il s'est dit, dans le passé, dans les milieux du service social, que le gouvernement fédéral pourrait songer à des financements de développement, à un financement en bloc pour certains niveaux fondamentaux de services et à des financements de développement pour les provinces qui n'auraient pas les ressources financières suffisantes pour respecter ces niveaux de services.



[Text]

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** Yes, just a supplemental on one thing. On the question of opting out, extra-billing, and so on, the suggestion has been that this practice, or the allowance of the practice, acts as a fuse box. In other words, if doctors get very unhappy, they extra-bill; if they are not that unhappy, they take the easy route out and collect their bills directly from the provincial plan. There is one advantage in having that fuse box there: it is possible for the province to keep its payments relatively low and increase its payments only when there is significant opting out or significant extra-billing; and it is controlled in that respect, to a large extent, by the provincial voters.

What would your comment be on that, and does it in fact operate like a fuse box?

**Mr. Terrance-Hunsley:** Well, I think that puts a doctor in the role of deciding who is in need, really, and who is not; and I am not sure that is the doctor's role in relation to the finances of an individual. I frankly also do not think the medical profession realizes that even the threat of extra-billing, or even the possibility of extra-billing, has a strong deterrent effect on those aspects of medical care which are preventive—the annual check-up or whatever. They may be in a position to decide on an individual, patient-by-patient basis whether the individual can afford to pay something extra; and some doctors do make that kind of a decision. But a lot of people, knowing a doctor has opted out of medicare, may well not be going to get that check-up every year; they may go only when they really feel they absolutely have to—they are sick, they are dying—but they do not look at preventive aspects.

**Mr. Blenkarn:** On a national basis, it did not strike me that there was a great deal of extra-billing or over-billing, except perhaps in Saskatchewan and Alberta. Ontario is down at 15 per cent at this point, and from what I understand from Ontario, they have always had a considerable number of doctors—perhaps more than anywhere else—who have always opted out; they just never joined the plan. What would your comments be on that?

**Mr. Norquay:** I think one of the concerns there is that if all the doctors in, say, one community—and I think, if memory serves me, Peterborough has been pointed out as an example—but to keep it hypothetical, if all the doctors in a given community chose to opt out of the provincial medicare plan, that really would remove the option from the user who is genuinely poor or low-income working poor of finding a doctor who will provide services within the plan. I think it is quite true when you say that looking across the country the percentages may get fairly small, but I think you have to look at the effect of opting out when everybody in a given community decides to go out of the plan and people do not have a choice any more. They are going to have to go with money in hand.

**Mr. Blenkarn:** Well, I talked about the fuse box effect. In Prince Edward Island, as you know, 55 per cent opted out at

[Translation]

**Le président:** Monsieur Blenkarn.

**M. Blenkarn:** Oui, juste une petite question supplémentaire. Au sujet du retrait facultatif, de la facturation supplémentaire, et le reste, on a dit que cette pratique ou l'autorisation de cette pratique agit un peu comme une boîte à fusibles. Autrement dit, si les médecins sont très mécontents, ils envoient des factures supplémentaires. S'ils ne sont pas trop mécontents, ils choisissent la route facile et perçoivent leurs honoraires directement du régime provincial. Cette boîte à fusibles a son avantage car la province peut maintenir ses paiements assez bas, puis ne les augmenter que quand il y a assez de médecins qui se retirent ou qui envoient des factures supplémentaires. Et le contrôle est exercé, à cet égard dans une bonne mesure par les électeurs provinciaux.

Que pensez-vous de cette idée et le parallèle avec la boîte à fusibles est-il valable?

**M. Terrance-Hunsley:** Cela met le médecin dans la situation où il doit décider qui est nécessaire, qui ne l'est pas, et je ne crois pas que ce soit le rôle du médecin d'examiner ainsi les finances de chacun. Je vous dirai franchement qu'à mon avis, les médecins ne se rendent pas compte à quel point la menace de la facture supplémentaire, ou même la possibilité de la facture supplémentaire a un pouvoir dissuasif pour ce qui a trait aux soins de santé préventifs comme la visite médicale annuelle. Ils sont peut-être en mesure de décider dans le cas de chaque malade quel est celui qui a les moyens de payer un supplément et certains médecins prennent déjà cette sorte de décision. Mais beaucoup de gens, sachant qu'un médecin s'est retiré du régime, évitent peut-être de se présenter à la visite médicale annuelle. Peut-être vont-ils chez le médecin seulement quand c'est nécessaire, parce qu'ils sont malades, à l'article de la mort, mais ils ne pensent plus à la médecine préventive.

**M. Blenkarn:** Dans l'ensemble du pays, il me semble qu'il n'y a pas eu beaucoup de facturations supplémentaires ou de surfacturations, sauf peut-être en Saskatchewan et en Alberta. En Ontario, on est descendu à 15 p. 100 et à ce qu'on me dit, il y a toujours eu dans cette province beaucoup de médecins, peut-être plus qu'ailleurs, qui se sont toujours tenus en retrait, qui n'ont simplement jamais fait partie du régime. Quels sont vos commentaires à ce sujet?

**M. Norquay:** Une chose qui nous préoccupe, c'est que si tous les médecins dans une certaine collectivité—si je me souviens bien, on a cité Peterborough en exemple, mais pour rester dans les suppositions, mettons que si tous les médecins d'une certaine collectivité décidaient de se retirer du régime provincial de santé, cela ne laisserait aucun choix au client qui est vraiment pauvre ou qui est un travailleur à faible revenu, car il ne pourrait trouver un médecin qui lui fournirait des services à l'intérieur du régime. C'est peut-être vrai que pour l'ensemble du pays les pourcentages sont assez faibles, mais il faut penser aux conséquences de la non-participation, quand tous les médecins dans un milieu décident de se retirer du régime et que les clients n'ont plus aucun choix. Ils doivent se présenter chez le médecin et s'attendre à payer.

**M. Blenkarn:** C'est pourquoi j'ai parlé de l'effet de la boîte à fusibles. A l'Île-du-Prince-Édouard, comme vous le savez, 55 p.

[Texte]

one point, and it is now down to 4.5 per cent, because they came to an agreement. Ontario was up to 17, it is down to 15. What will happen as a result of the further increases is hard to say. It may be that it will go down lower.

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Is that the kind of thing that happens, and is that, maybe, not good for the whole system as opposed to having a doctors strike, for example?

**Mr. Norquay:** I think what you are saying, to generalize it, to make it broad, about the fuse box effect is probably quite valid. I think some people would argue that while that situation is being worked out through this fuse box, it is quite possible that some low income people are going to suffer. I think that would be a real concern.

**Mr. Blenkarn:** You have to trust the medical profession on that if that is the case. Is that what you are saying?

**Mr. Norquay:** Yes, but I would come back to what Terry said. We would argue that it is not appropriate for doctors to be making decisions as to who can and who cannot afford it. One of the things that we have tried to get away from, and I think we have done so quite successfully in Canadian social programs, is the question of stigma. I do not think people in this day and age should have to go to their doctors, in a sense, cap-in-hand and say, look, I need your services but I do not have the extra money. I think we have the resources in this country to ensure that that does not have to happen.

**The Chairman:** Continuing my question on the issue of fiscal balance, you comment on it; you do not really discount it, but you do not express too much concern about the problem. Why do you believe that a reduction in transfer payments to provinces will lead necessarily to a reduction in services?

**Mr. Terrance-Hunsley:** Well, for two reasons. One is that we do not believe that provinces are going to make up immediately for the entire reduction in federal transfers by an immediate infusion of funds.

Two, if they choose one particular area, let us say post-secondary education, and take all the money out of there, then that would leave social services and health all right. However, we do not believe that that will happen. We are saying that a decrease in transfers to the provinces under any three of these, is going to result in the provinces, in their budgetary process, reducing expenditures under all of these levels. If they have to increase, we will probably see it as a combination of an increased tax level at the provincial level and a decreased service level. They will try to even out the impact of reductions in any particular area. So, there will be a net decrease in service level and, as well, there will be a much slower growth of the needed services. Even if they do not cut an area out altogether, they will certainly be freezing its development for the foreseeable future.

**The Chairman:** So you are saying that, unless the federal Parliament influences, in the economy, the degree of social

[Traduction]

100 des médecins s'étaient déjà retirés, mais la proportion est maintenant baissée à 4.5 p. 100 car ils ont conclu une entente. En Ontario, le pourcentage a déjà atteint 17 mais il est maintenant à 15. Il est difficile de dire ce qui arrivera s'il y a de nouvelles augmentations. Peut-être y aura-t-il même diminution.

Est-ce le genre de chose qui se produit et dans l'ensemble, n'est-ce pas une bonne chose pour le régime, plutôt qu'une grève des médecins par exemple?

**M. Norquay:** Pour généraliser et pour regarder la chose dans son ensemble, ce que vous dites au sujet de l'effet de la boîte à fusibles est probablement très vrai. On affirmera, bien sûr, que pendant que la situation s'ajuste par l'intermédiaire de la boîte à fusibles, il se peut que certains gagne-petit aient à en souffrir. Ce serait une véritable préoccupation.

**M. Blenkarn:** Si c'est le cas, il faudrait alors faire confiance à la profession médicale. N'est-ce pas ce que vous dites?

**M. Norquay:** Oui, mais j'aimerais revenir à ce que Terry a dit. A notre avis, il n'appartient pas aux médecins de décider qui a les moyens ou non. Une des choses que nous avons voulu faire disparaître, et en ce sens les programmes canadiens ont très bien réussi, c'est l'idée du stigmata. De nos jours, une personne ne devrait pas avoir à se présenter chez son médecin un peu comme un quémandeur en disant j'ai besoin de vos services, mais je n'ai pas l'argent nécessaire. Notre pays est assez riche pour éviter que cela se produise.

**Le président:** Poursuivant ma question au sujet de l'équilibre fiscal, vous nous avez livré votre pensée. Vous ne l'ignorez pas, mais le problème ne semble pas vous préoccuper. Pourquoi pensez-vous qu'une réduction des paiements de transfert aux provinces aboutira nécessairement à une réduction des services?

**M. Terrance-Hunsley:** Pour deux raisons. Premièrement, nous ne pensons pas que les provinces vont combler toute la réduction dans les transferts fédéraux par une infusion immédiate de fonds.

Deuxièmement, si elles choisissent un secteur particulier comme l'éducation postsecondaire, et si elles coupent tous les fonds dans ce secteur, alors les services sociaux et les services de santé ne s'en ressentiraient pas. Mais ce n'est pas, à notre avis, ce qui arrivera. Nous disons que si les transferts aux provinces sont diminués pour les trois secteurs, il s'ensuivra, par le processus budgétaire, une réduction des dépenses provinciales dans tous ces secteurs. S'il faut une augmentation, ce sera probablement une combinaison d'une hausse du niveau de l'impôt provincial et une diminution du niveau des services. Elles essaieront de compenser l'impact des réductions dans un domaine particulier. Il y aura donc une diminution nette du niveau des services et en même temps, il y aura un ralentissement de la croissance des services nécessaires. Si elles ne suppriment pas un secteur complètement, elles gèleront certainement son développement pour un avenir prévisible.

**Le président:** Vous dites donc que si le Parlement fédéral n'influence pas, dans notre économie, le niveau des dépenses



[Text]

spending or the level of social spending for social services and income support programs, you do not think that provincial politicians . . .

You think, unless the federal Parliament does that, it will not happen. You do not think the provincial politicians see that as a priority? Why would they not see that as a priority? Surely they have a social conscience as much as we have. They come from the same areas. They are not elected on the same day but they are close to their people. Why is it that only the federal Parliament can influence that, particularly when it is in the field of provincial jurisdiction? I have my views as to why it is, but why do you think it is?

**Mr. Ross:** One of the points that we are trying to stress in the brief is that, when it comes to services and income support for low income Canadians, which is handled, you know, extensively through the Canada Assistance Program, you see tremendous provincial variations. In most cases, certainly in social assistance, you find low social assistance rates associated with the low income provinces. We feel that funnelling federal funds into these provinces is more likely to assure some minimum, probably a higher minimum than would otherwise be the case.

• 1100

**The Chairman:** But this has happened even with the federal presence.

**Mr. Ross:** Yes, and I would fear to think what would have happened if it had not been for the Canada Assistance Plan. My guess would be that if you went back prior to 1966 you would probably find even greater divergencies.

**The Chairman:** For example, in New Brunswick, even with all the transfer payments from the federal government, which increase the fiscal capacity to 89 per cent of the national average, if you take 100 to be the average, which is one point more than Ontario, the spending effort of the provincial government of the Province of New Brunswick is one of the lowest, even with equalization. So I am saying, that is for some reason, and I am trying to find out from you what your views are as to why it is that there would be this difference. I am not making a judgment here on whether they are right or wrong, because I know it must be difficult to govern the Province of New Brunswick—I thought I could at one time. Why it is that there is this difference in perspective as to what the role of government in society should be?

**Mr. Norquay:** I think one of the ways of looking at that is to look at the difference between the so-called established programs, on the one hand, of health and education, and on the other hand by inference the less established programs of income security and social services. My understanding of the origin of the term “established programs” was that it came about something like this: There was general agreement that an infusion of federal funds in the early days of, say, medicare would play an important role in moving these programs

[Translation]

sociales ou le niveau des dépenses pour les services sociaux et les programmes de soutien du revenu, à votre avis, les politiciens provinciaux . . .

Vous pensez que sans la poussée du Parlement fédéral, cela n'arrivera pas. A votre avis, pour les politiciens provinciaux, ce n'est pas une priorité? Pourquoi ne serait-ce pas pour eux une priorité? Ils doivent bien avoir une conscience sociale tout comme nous. Ils viennent des mêmes régions. Ils ne sont pas élus le même jour que nous, mais ils sont près du peuple. Pourquoi serait-ce seulement le Parlement fédéral qui pourrait influencer ce domaine, surtout quand on sait que cela fait partie de la compétence provinciale? J'ai mon idée à ce sujet, mais pourquoi pensez-vous qu'il en est ainsi?

**M. Ross:** L'un des points que nous essayons de faire ressortir dans le mémoire, c'est que quand il s'agit de services et de soutien du revenu pour les Canadiens à faible revenu ce qui, comme vous le savez, se fait surtout au moyen du programme d'assistance publique, on constate d'énormes disparités dans les provinces. Dans la plupart des cas, dans le domaine de l'assistance sociale à tout le moins, on constate que de faibles taux d'assistance sociale se retrouvent surtout dans les provinces où le revenu est faible. A notre avis, en canalisant des fonds fédéraux vers ces provinces, on a une bonne chance d'assurer au moins un certain minimum, et probablement un minimum plus élevé que ce ne serait le cas autrement.

**Le président:** Mais cela est arrivé, malgré une présence fédérale dans certains cas.

**M. Ross:** Oui, et je tremble à la pensée de ce qui aurait pu arriver sans le régime d'assistance publique du Canada. Je dirais que si l'on remonte avant 1966, on constate probablement des disparités encore plus grandes.

**Le président:** Au Nouveau-Brunswick, par exemple, malgré tous les paiements de transfert du gouvernement fédéral qui portent la capacité fiscale à 89 p. 100 de la moyenne nationale, si l'on prend 100 comme moyenne, ce qui est un point supérieur à celle de l'Ontario, le budget de dépenses du gouvernement provincial du Nouveau-Brunswick est l'un des plus faibles, malgré la péréquation. Je me dis donc qu'il y a une raison à cela et j'essaie de savoir de vous pourquoi pensez-vous qu'il existe cette différence. Je ne dis pas ici que ce soit bon ou mauvais, car je sais qu'il doit être difficile de gouverner la province du Nouveau-Brunswick. A un moment, j'ai pensé que je pourrais le faire. Pourquoi y a-t-il cette différence dans la perspective de ce que doit être le rôle d'un gouvernement dans une société?

**M. Norquay:** L'une des façons d'aborder la question, c'est de songer à la différence entre, d'un côté, ce qu'on appelle des programmes établis comme la santé et l'éducation et, de l'autre côté, des programmes moins bien établis comme la sécurité du revenu et les services sociaux. Si je comprends bien, voici ce que serait à peu près l'origine de l'expression programmes établis: A peu près tout le monde a cru qu'une infusion de fonds fédéraux, au tout début du programme de soins de santé, contribuerait énormément à aider ces programmes à fonction-



*[Texte]*

through a cost-sharing mechanism to the point that they would become established.

One of the points of discussion that has been raised from time to time over the years has been whether or not social services and income security are getting closer, or perhaps are now at the point where they could be considered as established. If one looks behind the term established, I think that one has to talk in fairly frank political terms about the ability of some of these sectors to compete at the provincial level for provincial allocations with other sectors. Certainly the federal activity in cost-sharing of health programs was started on the basis of a judgment being made that for some time to come—and presumably this, in the judgment of the federal government, was reached in 1978—health programs would require assistance in becoming established. So I think one very much has to consider the factor of how social programs are perceived at the provincial level.

**The Chairman:** I am not sure I got a clear answer to my question.

**Mr. Norquay:** May I just add that there is also the . . .

**The Chairman:** I wonder why it is easier to compete at the federal level than it is at the provincial level.

**Mr. Norquay:** There has been no indication that it is. But there is also the point that these programs do not compete very well in any sort of treasury allocation process. I think that is quite true. There is also an indication that a lot of provinces would indicate that the cost-shared 50 cent dollar is not a huge incentive to the development of programs in their areas because of over-all restraint on their budgets. A lot of them would also, I think, recognize that cutting back in areas of social programs, which may be tempting from time to time, is a little tougher to do when there is a federal dollar involved at the other end because you in effect have to cut two dollars to get one.

**The Chairman:** Would you, in terms of the future, in the modification of some programs that we have now, prefer the abandonment of some universal programs and a move towards more selectivity?

**Mr. Ross:** I think it is probably inevitable that, if the gross national product is not going to cough up more money for social programs, we will have to start looking for funds that are already committed. However, I would pick up as well on the point that Mr. Blaikie mentioned, that there are many tax expenditures and a lot of them have grown very rapidly. I am thinking of the number of tax dollars devoted to supporting the private purchase of retirement savings plans which is several billion dollars now, if I am not mistaken. I would say, let us cut back on that program. Why are people with above-average incomes getting a great big benefit there and now we are trying to weasel it from people who are trying to raise a family of four on \$8,000 a year? To my mind, that is some sense of equity. And family allowances, perhaps one third of family allowances go to the top 20 per cent of higher income families in Canada.

*[Traduction]*

ner dans un mécanisme de frais partagés pour atteindre le statut de programmes établis.

L'un des points qui revient sur le tapis au cours des ans, c'est qu'on se demande si les services sociaux et la sécurité du revenu se rapprochent de ce point où s'ils sont même rendus au point où ils peuvent être considérés comme des programmes établis. Si l'on songe au terme «établis», il faut, en termes politiques assez francs, envisager la capacité, pour certains de ces secteurs, de concurrencer d'autres secteurs au niveau provincial pour obtenir leur part de fonds provinciaux. Il est certain que le gouvernement fédéral s'est lancé dans les programmes de santé à frais partagés en pensant que pendant une certaine période—et on peut supposer que de l'avis du gouvernement fédéral, cette période s'est terminée en 1978—les programmes de santé auraient besoin d'aide pour devenir établis. Il est donc très important de garder à l'esprit ce facteur qu'est la perception que l'on se fait des programmes sociaux au niveau provincial.

**Le président:** Je ne suis pas certain d'avoir obtenu une réponse claire à ma question.

**M. Norquay:** Puis-je ajouter qu'il y a aussi le . . .

**Le président:** Je me demande pourquoi il est plus facile de concurrencer au niveau fédéral qu'au niveau provincial.

**M. Norquay:** Rien ne porte à croire que ce soit plus facile. Mais chose certaine, c'est que ces programmes éprouvent toujours de la difficulté à obtenir leur part des deniers publics. Cela est probablement vrai. On peut croire aussi que pour beaucoup de provinces, la part des frais de 50 cents au dollar n'est pas une très forte incitation pour le développement de programmes dans leurs régions à cause des contraintes budgétaires générales. Plusieurs doivent bien s'apercevoir en outre que s'il est tentant de couper dans les programmes sociaux, comme on le pense parfois, c'est plus difficile à réaliser s'il y a un dollar fédéral à l'autre bout, car il faut couper deux dollars pour en retirer un.

**Le président:** En songeant à la modification de certains des programmes actuels, envisageriez-vous, pour l'avenir, de songer à l'abandon de certains programmes universels pour opter davantage pour des programmes sélectifs?

**M. Ross:** Il est probablement inévitable que si le produit national brut ne produit pas plus de fonds pour les programmes sociaux, il nous faudra commencer à chercher des fonds qui sont déjà engagés ailleurs. J'aimerais cependant appuyer le point soulevé par M. Blaikie, c'est-à-dire qu'il y a beaucoup de dépenses fiscales dont certaines augmentent très rapidement. Je pense aux montants d'impôts qui sont consacrés au financement de régimes privés de retraite et qui se chiffrent maintenant à plusieurs milliards de dollars, sauf erreur. Je dirais qu'il faut couper ce programme. Pourquoi les gens qui ont des revenus au-dessus de la moyenne pourraient-ils retirer ces immenses avantages pendant que nous essayons de soutenir des fonds de gens qui essaient d'élever une famille de 4 sur un revenu de \$8,000 par année? Voilà bien, à mon avis, ce qu'on appelle l'équité. Et les allocations familiales. Le tiers peut-être des allocations familiales est versé au 20 p. 100 des familles canadiennes dont les revenus sont les plus élevés.

[Text]

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**The Chairman:** But they are taxed back.

**Mr. Ross:** Very inadequately, very inadequately. It is taxed back just at normal rates, and if you look at effective tax rates as opposed to marginal tax rates . . .

**The Chairman:** The top 20 per cent of higher incomes in Canada would pay high tax rates.

**Mr. Ross:** Only if they have poor accountants. I think if I could refer . . .

**The Chairman:** I do my own accounting.

**Mr. Ross:** Well, you know what they said about the lawyer who defended himself.

But even if they are in a 60 per cent bracket, there is still 40 per cent going . . .

**The Chairman:** I am not suggesting they are selective. I take it that you would prefer more selectivity in the future, like the child tax credit is a selective program.

**Mr. Ross:** But I would probably start with RRSPs before I start with family allowances. I mean, I think there is a lot of spending out there that you could start to refigure.

**The Chairman:** I think then that one could say that restoring the fiscal balance at the federal level, will meet some of your concerns in the long run because some of the things you want can only be accomplished by the federal government. If we continue to transfer 20 per cent of the federal budget to the provinces on which there is going to be less and less control, and 20 per cent to service the debt, unless there is a change all of a sudden in the minds of provincial leaders, we are not going to be able to do many more things in the future in the area of income maintenance on a selectivity basis.

I take it that you do want a strong federal government from a fiscal point of view, either by increasing taxes or reducing expenditures otherwise, so that we can do some of those things in the future because, obviously, you do not believe that the kind of society that you would like to see us strive for is going to be accomplished if we allow the provincial politicians to make these decisions alone. Maybe they can be part of the process, but do you think the federal government has to be involved in that?

**Mr. Ross:** Let me just say to wrap up this point, that when Marc Lalonde was Minister of National Health and Welfare and was meeting with his provincial counterparts during the period 1973-76, one of the major proposals was for the federal funding of an income supplementation scheme or negative income tax scheme for the working poor. The council certainly supported that.

**The Chairman:** Mr. Herbert.

**Mr. Herbert:** Just on the last little discussion we have been having here where you talk about finding another source of funds. I might suggest that you get the NDP to explain a little better why they insist on universality. Whilst it is very desirable, they have a seeming insistence on maintaining universal-

[Translation]

**Le président:** Mais ils les paient en impôt.

**M. Ross:** C'est tout à fait vrai. Ils sont imposés aux taux normaux, et si vous examinez les taux d'impôt réels, par rapport aux taux d'impôt marginaux . . .

**Le président:** Ces 20 p. 100 qui ont les plus hauts revenus au Canada paient sûrement les plus hauts impôts.

**M. Ross:** Seulement s'ils ont de mauvais comptables. Je pourrais vous signaler . . .

**Le président:** Je fais ma propre comptabilité.

**M. Ross:** Vous savez ce qu'on dit de l'avocat qui tient à se défendre lui-même.

Mais même s'ils sont au palier de revenu où ils paient 60 p. 100 d'impôt, il reste quand même 40 p. 100 . . .

**Le président:** Je ne dis pas que ce soit un programme sélectif. Si je comprends bien, vous aimeriez voir des programmes plus sélectifs à l'avenir, comme par exemple le crédit d'impôt pour les enfants.

**M. Ross:** Mais je commencerais probablement par les régimes d'épargne-retraite, plutôt que par les allocations familiales. Il y a là d'énormes dépenses que l'on pourrait probablement recommencer à calculer.

**Le président:** On peut dire qu'un équilibre fiscal au niveau fédéral répondrait à certaines de vos préoccupations à long terme, car certaines des choses que vous désirez ne peuvent être faites que par le gouvernement fédéral. Si nous continuons à transférer aux provinces 20 p. 100 du budget fédéral sur lequel il s'exerce de moins en moins de contrôle, et 20 p. 100 au service de la dette, à moins d'un changement soudain d'attitude parmi les dirigeants provinciaux, nous ne réussirons pas, dans l'avenir, à réaliser grand-chose de plus dans le domaine de la sécurité du revenu sur une base sélective.

Je crois comprendre que vous voulez un gouvernement fédéral fort, d'un point de vue fiscal, soit par une augmentation des impôts ou par une réduction des dépenses, afin d'être en mesure de faire certaines choses parce que, de toute évidence, vous ne pensez pas que la sorte de société vers laquelle nous devons continuer à aspirer puisse être réalisée si nous permettons à des politiciens provinciaux de prendre seuls de telles décisions. Peut-être peuvent-ils participer, mais croyez-vous que le gouvernement fédéral doive lui aussi être impliqué?

**M. Ross:** En guise de conclusion, permettez-moi de vous dire que quand Marc Lalonde était ministre de la Santé nationale et du Bien-être social, et qu'il se réunissait avec ses homologues provinciaux pendant la période 1973-1976, l'une des grandes propositions portait sur le financement fédéral d'un programme de supplément du revenu ou d'un programme d'impôt négatif sur le revenu pour le travailleur pauvre. Le Conseil appuyait certainement cette idée.

**Le président:** Monsieur Herbert.

**M. Herbert:** J'aimerais revenir sur les derniers points où on a parlé de la nécessité de trouver d'autres sources de revenu. Vous devriez demander au NPd d'expliquer un peu mieux pourquoi il insiste tant sur l'universalité. Même si c'est désirable, il semble insister beaucoup sur le maintien de l'universa-



## [Texte]

ity. It was always a fear to me that one source of funds is the top end of the family allowance payments. But I see another point you make in your brief that I would like to comment on because I guess it was the Canadian Hospital Association that said that we have the best health system in the world. You seem to support that on page 16 when you tell us that in 40 years from now only 1 per cent of us under the age of 65 are going to be sick. I think we are making tremendous strides.

**Mr. Terrance-Hunsley:** I hope that the same kind of reasoning is not going to guide the recommendations of your committee because I do not think we are arriving at the same conclusion.

**Mr. Herbert:** I do want to come to a point. On page 2, you say the impact of specific federal reductions will be generalized and spread over all social programs by provincial budgetary process. On face value, I accept that. Then you go to great length on page 7 to quote Mr. Trudeau, the Prime Minister. You discuss decentralization but you appear to discuss it in the terms of dollars. I wonder whether you are ignoring the fact that whether it is the \$14 billion we find in one set of figures or the \$19 billion we see in another set of figures, whether it is the total amount of dollars the federal government is transferring which is the real power, the real decentralization, or whether it is not the use to which those dollars are put—I tell you quite personally, for me it does not matter whether it is provincial dollars or federal dollars. We have an objective. We have presumably a common objective. If we can achieve that by spending more federal dollars, I do not mind. But surely the power of decentralization is in the use to which the dollars are put. Most groups are refusing to come to grips with that essential problem: how are we going to use the wallop of the dollars, whether it is \$14 billion or \$19 billion, no matter what sum, to achieve the objective. And I do not think you addressed that particular point.

• 1110

**Mr. Terrance-Hunsley:** If I could respond—it seems to me I liked very much what you were saying at the beginning: we have an objective and regardless of who spends the dollars, if we accomplish the objective, then that is fine. But now I get the impression that the objective is to reverse what you consider power of decentralization. Our point would be that the objective is in the development and maintenance of quality social programs. If decentralized power leads to better social programs, then you would be accomplishing your objective in that way. I know groups have been slow to pick up on that particular angle because I think they have been focusing on the quality of the programs delivered and not on the balance of power in the spending of the dollars.

**Mr. Herbert:** I do not think we are in disagreement. I just ask you, whether the provinces, using their present power, provide the service, or whether the federal government somehow manages to impose power via its dollars. That is what we have to decide. Frankly, in the final analysis, if we all go away

## [Traduction]

lité. J'ai toujours craint, pour ma part, que l'une des sources de fonds ne se trouve dans les allocations familiales versées aux familles les plus riches. Mais il y a un autre point, dans votre mémoire, dont je voudrais parler, parce que sauf erreur, c'est l'Association des hôpitaux canadiens qui a dit que nous avions le meilleur régime de santé au monde. Vous semblez appuyer cette idée lorsque vous écrivez, à la page 16, que dans 40 ans d'aujourd'hui, seulement 1 p. 100 de ceux qui auront moins de 65 ans seront malades. Je dirais que nous faisons des progrès remarquables.

**M. Terrance-Hunsley:** J'espère que votre comité ne suivra pas le même genre de raisonnement pour faire ses recommandations car nous n'arrivons pas, pour notre part, à la même conclusion.

**M. Herbert:** Je veux aboutir à une idée. À la page 2, vous dites que l'impact des réductions spécifiques fédérales sera généralisé et se répercutera sur tous les programmes sociaux par le processus budgétaire provincial. À première vue, c'est vrai. Plus loin, à la page 7, vous citez largement M. Trudeau, le premier ministre. Vous parlez de décentralisation, mais vous semblez en parler en termes de dollars. Vous êtes-vous demandé si ce sont les \$14 milliards que nous trouvons dans un tableau ou les \$19 milliards que nous trouvons dans un autre tableau si ce sont, dis-je, tous ces montants que le gouvernement fédéral transfère qui constituent le pouvoir réel, la véritable décentralisation ou si ce n'est pas l'utilisation que l'on fait de ces dollars et je vous dirai personnellement que pour moi, il importe peu qu'il s'agisse de dollars provinciaux ou de dollars fédéraux. Nous avons un objectif. Nous avons, j'imagine, un objectif commun. Si nous pouvons le réaliser en dépensant plus de dollars fédéraux, cela m'est égal. Mais il me semble que le pouvoir de décentralisation réside dans l'utilisation faite des dollars. La plupart des groupes refusent de s'attaquer à ce problème essentiel qui est de se demander comment utiliser cette masse de dollars, que ce soit \$14 ou \$19 milliards, peu importe la somme, pour réaliser l'objectif. Et je ne pense pas que vous avez abordé carrément cette question.

**M. Terrance-Hunsley:** En répondant, je dirais que j'ai beaucoup aimé ce que vous avez dit au début, c'est-à-dire que nous avons un objectif et qu'il importe peu de savoir qui dépense les dollars, pourvu que nous réalisons l'objectif. Mais j'ai maintenant l'impression que l'objectif, c'est de renverser ce que vous considérez comme le pouvoir de décentralisation. Nous pensons, pour notre part, que l'objectif, c'est le développement et le maintien de programmes sociaux de qualité. Si le pouvoir décentralisé aboutit à de meilleurs programmes sociaux, alors vous réalisez votre objectif. Je sais que certains groupes ont mis du temps à comprendre la question dans cette optique parce qu'ils songaient surtout à la qualité des programmes délivrés et non à la balance du pouvoir par la dépense des dollars.

**M. Herbert:** Je ne crois pas que nous soyons en désaccord. Je vous demande seulement si les provinces, utilisant leur pouvoir actuel, assurent le service, ou si le gouvernement fédéral trouve le moyen d'imposer son pouvoir au moyen de ses dollars. C'est ce qu'il faut décider. Si, à la fin du compte, à la



[Text]

from here feeling we cannot achieve our federal objective of ensuring adequate programs, which I believe is what we are here to do, then maybe we should just fold up the whole operation, transfer the tax points, and let the provinces run their own show. I am being extreme.

**Mr. Terrance-Hunsley:** It is an option that has been discussed, for sure.

**Mr. Herbert:** I am only trying to force a point: how do we go about using our dollars to insist on the required levels of services, whether they be health or social services or education, no matter what.

**Mr. Ross:** I think if that had been the mandate of the task force and if that had been the way Mr. MacEachen had stated it, then we probably would agree with you and we would be having a different discussion today. But the fact is that he has earmarked those cuts. It is not the next budget cut; he has earmarked those cuts for programs we feel very strongly about.

**Mr. Herbert:** I do not have to agree with it.

**Mr. Ross:** Okay.

**Mr. Terrance-Hunsley:** Good. That is very encouraging. But just to underline the point, the initial mandate of the task force as we understood it and as it was recorded in the October budget was to make a reduction in the social-spending envelope and to use that money to finance non-social initiatives in the budget. If that is the case, then, you see, the decision has been made before you start your deliberations.

**The Chairman:** But there are two issues here which are related but separate, or at least distinct. One is the fiscal policy of the government to limit the growth in the social-spending envelope and direct to towards the economic development envelope. That is one decision. The other is to attempt to reduce transfers to provinces by \$500 million next year and \$1 billion in the following fiscal year. They are related and they impact on one another, but they are two separate decisions; two distinct decisions. You could conceivably reduce transfers to provinces and continue to increase the social-spending envelope. If you are looking for a five-year fiscal arrangement which would go to 1987, the fiscal plan of the government which was announced for until 1983-84 could conceivably change. You could have a change of federal government which could either reduce the social envelope further or increase it further, with more unilateral federal action.

**Mr. Terrance-Hunsley:** Would I interpret you right, then, Mr. Chairman, that if you should recommend a reduction of transfers to the provinces for social programs, then those funds would be channelled into other social programs or used to achieve the federal objectives in social programs? Is this the objective of the exercise, to find the best way of funding social programs?

[Translation]

fin de nos travaux, nous ne croyons pas pouvoir réaliser l'objectif fédéral qui est d'assurer des programmes convenables, ce que je crois être l'objet de nos travaux, alors, peut-être faudrait-il mettre un point final à toute l'opération, transférer les points d'impôt et laisser les provinces se débrouiller. Je pousse les choses à l'extrême.

**M. Terrance-Hunsley:** C'est une option dont il a été question, c'est certain.

**M. Herbert:** J'essaie seulement de faire ressortir que nous devons essayer de savoir comment utiliser nos dollars pour insister sur certains niveaux requis de services, qu'il s'agisse de santé, de services sociaux, d'éducation, peu importe.

**M. Ross:** Si tel était le mandat du groupe de travail et si M. MacEachen l'avait ainsi formulé, nous serions probablement d'accord avec ce que vous dites et nous aurions aujourd'hui une toute autre discussion. Mais le fait, c'est qu'il a prévu des coupures dans certains secteurs. Il ne s'agit pas d'une prochaine coupure budgétaire. Il a pratiqué des coupures dans des programmes auxquels nous tenons beaucoup.

**M. Herbert:** Je n'ai pas à être d'accord.

**M. Ross:** C'est très bien.

**M. Terrance-Hunsley:** Bien. C'est très encourageant. Mais permettez-moi de souligner encore une fois que le mandat original du groupe de travail, selon ce que nous avons compris et selon ce qui était dans le budget d'octobre, visait à pratiquer une réduction dans l'enveloppe des dépenses sociales et d'utiliser ces fonds pour financer des initiatives non sociales du budget. Si tel est le cas, vous voyez que la décision a été prise avant même que vous ayez commencé à délibérer.

**Le président:** Mais il y a ici deux questions qui sont reliées, mais qui sont séparées, ou du moins distinctes. L'une, c'est la politique fiscale du gouvernement qui vise à limiter la croissance de l'enveloppe des dépenses sociales et à la réorienter vers l'enveloppe du développement économique. C'est là une décision. L'autre question, c'est d'essayer de réduire les transferts aux provinces de \$500 millions l'année prochaine et d'un milliard de dollars l'année suivante. Ces questions sont reliées et elles ont des impacts l'une sur l'autre, mais ce sont deux questions séparées et distinctes. Il serait concevable de réduire les transferts aux provinces tout en continuant à augmenter l'enveloppe des dépenses sociales. Si l'on veut arriver à un accord fiscal de 5 ans qui se terminerait en 1987, le plan fiscal que le gouvernement a annoncé pour jusqu'en 1983-1984 pourrait changer. Il pourrait y avoir un changement de gouvernement fédéral qui pourrait ou bien réduire encore davantage l'enveloppe sociale ou bien l'augmenter par une autre action fédérale unilatérale.

**M. Terrance-Hunsley:** Puis-je vous interrompre ici, monsieur le président, pour dire que si vous recommandiez une réduction des transferts aux provinces pour les programmes sociaux, alors ces fonds seraient orientés vers d'autres programmes sociaux ou utilisés pour réaliser des objectifs fédéraux dans des programmes sociaux. Est-ce l'objectif de vos travaux, c'est-à-dire de trouver la meilleure manière de financer les programmes sociaux?

[Texte]

[Traduction]

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**The Chairman:** Our mandate is limited to looking at the issue of fiscal arrangements. All of us can do other things on the question of the fiscal policy and the social envelop. We can comment on that, I suppose, as a group, but we are not in the business of writing budgets yet, our mandate is specifically concerned with fiscal arrangements.

**Mr. Herbert:** If I can just conclude, you quote the Prime Minister again:

We certainly don't propose to solve this problem on the backs of the poor or of the sick,

Okay, I accept that without reservation. If we added another \$2 billion instead of taking off \$1.5 billion, could we accomplish our objective? And how? I do not think it is dollars, I really do not believe it is dollars. So I put it to you . . .

**Mr. Terrance-Hunsley:** It would be interesting to see if that would help, but it seems to me that . . .

**Mr. Herbert:** Would we just give it without any controls? Or do you think if we handed the carrot of \$2 billion extra to the provinces they would sign on the dotted line to maintain services, and so on, right across this country?

**Mr. Terrance-Hunsley:** No. I think we have indicated in our brief that we feel that the federal government, when it enters into a relationship with the provinces and has an assumption that both governments are going to be spending to meet the anticipated growth needs of a sector, should be making that very clear. It should spell it out, monitor it, report on it to the public, and enforce it. Even in cases where that has been a part of the legislation in Canada, the federal government has not necessarily been following through on that. So it is not just the spending of dollars, clearly, it is also a matter of the federal responsibility to ensure that adequate information is available to Canadians on these programs, which has not been carried out.

**Mr. Herbert:** Great, thank you.

**The Chairman:** Thank you very much, gentlemen, for your brief. It was an important document. You have put a lot of effort into it and we appreciate that.

**Mr. Terrance-Hunsley:** Mr. Chairman, might I make one final brief recommendation to the committee? If you have not done so already, and probably you have, take a look at the report of the Standing Senate Committee on Health, Welfare and Science of this past year, Child at Risk, where the Senate has recommended, I believe quite strongly, that funding to these kinds of programs be maintained and expanded at all levels of government.

**The Chairman:** Thank you very much. Your testimony will certainly be valuable to us in the consideration of our report.

**Mr. Terrance-Hunsley:** Thank you very much.

**The Chairman:** We will continue now with out meeting and we will hear from the representatives of the Canadian Bar

**Le président:** Notre mandat se limite à un examen de la question des ententes fiscales. Chacun de nous peut faire d'autres choses au sujet de la politique fiscale et de l'enveloppe sociale. Nous pouvons en parler, je suppose, en tant que groupe, mais nous ne sommes pas en train de préparer des budgets. Notre mandat porte précisément sur les ententes fiscales.

**M. Herbert:** Permettez-moi de conclure. Vous citez le premier ministre:

Nous n'avons certainement pas l'intention de régler ce problème sur le dos des pauvres ou des malades.

Bon, j'accepte cela sans réserve. Si nous ajoutions \$2 milliards au lieu de soustraire \$1.5 milliard, pourrions-nous réaliser notre objectif? Et Comment? Je ne crois pas vraiment que ce soit une question de dollars. Vraiment, je dirais plutôt . . .

**M. Terrance-Hunsley:** Il serait intéressant de voir si cela pourrait aider, mais il me semble que . . .

**M. Herbert:** Donneriez-vous ces fonds sans exercer de contrôle? Ou pensez-vous que si nous donnions cette carotte de 2 milliards de plus aux provinces, elles s'engageraient tout de suite à maintenir les services, d'un bout à l'autre du pays?

**M. Terrance-Hunsley:** Non. Nous avons dit, dans notre mémoire, qu'à notre avis, quand le gouvernement fédéral s'engage dans un programme avec les provinces et qu'il peut se fonder sur l'hypothèse que les deux gouvernements dépensent des fonds pour répondre à la croissance prévue des besoins d'un secteur, il devrait établir cela très clairement. Il devrait mettre des points sur les «i», surveiller l'affaire, présenter des rapports au public et appliquer son programme. Même dans les cas où il y a eu une partie de législation au Canada, le gouvernement fédéral n'a pas nécessairement assuré ce suivi. Ce n'est donc pas seulement une question de dépenser des dollars, mais il faut qu'il soit clair que le gouvernement fédéral a la responsabilité de bien renseigner les Canadiens sur ces programmes et qu'il ne s'est pas acquitté de cette responsabilité.

**M. Herbert:** C'est parfait, merci.

**Le président:** Merci beaucoup, messieurs, pour votre mémoire. C'est un document important. Vous y avez apporté beaucoup de soin et nous vous en remercions.

**M. Terrance-Hunsley:** Monsieur le président, pourrais-je faire une dernière et brève recommandation à votre comité? Si vous ne l'avez pas déjà fait, ce dont je doute, examinez le rapport du comité permanent du Sénat sur la santé, le bien-être et la science de l'année dernière, rapport qui examine les risques de l'enfant, où le Sénat recommande très fortement que le financement de ces genres de programmes soit maintenu et même élargi par tous les niveaux de gouvernements.

**Le président:** Merci beaucoup. Votre témoignage nous sera certainement précieux dans l'examen de notre rapport.

**M. Terrance-Hunsley:** Merci beaucoup.

**Le président:** Nous poursuivons maintenant notre réunion et nous entendrons les représentants de l'Association du barreau



## [Text]

Association, Mr. William Cox and Mr. David Matas. I would ask Mr. Cox and Mr. Matas, please to come forward.

We have before us Mr. William Cox, Q.C., President of the Canadian Bar Association, and Mr. David Matas, Chairman of the Constitutional and International Law Section. We have a copy of your brief, Mr. Cox. Do you wish to read this into the record as it is, or do you wish to summarize it, because we can have it appended to today's proceedings?

**Mr. William Cox, Q.C. (President, Canadian Bar Association):** No, Mr. Chairman. I will simply make a few introductory remarks, then Mr. Matas will summarize the submission and we will be available to answer questions.

**The Chairman:** Okay. Is it agreed, gentlemen, that we will append the submission of the Canadian Bar Association to today's proceedings?

**Some hon. Members:** Agreed.

**The Chairman:** Mr. Cox.

**Mr. Cox:** Mr. Chairman, and members of the task force, the Canadian Bar Association welcomes this opportunity to make a presentation to the task force on federal-provincial fiscal arrangements.

Our submission is based primarily on the work produced by the Canadian Bar Association *Towards A New Canada*. I am sure that members of the task force are familiar with that work, and we have copies available if you wish to have them. Our position is based on the principle set forth in *Towards A New Canada*, which has been debated by the Canadian Bar Association at some considerable length. I would simply now ask Mr. Matas to summarize our submission on this matter.

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**Mr. David Matas (Chairman, Constitutional and International Law Section, Canadian Bar Association):** Mr. Chairman, the first point we wanted to make was that the legal basis for the provincial and federal spending power has been uncertain. Billions of dollars have been spent by both levels of government, federal and provincial, over the years without certain legal authority to justify that spending, and that includes federal spending on health and federal spending on post secondary education. The Canadian Bar Association proposes a reference to determine whether the spending power is legally valid or not. It would be appropriate, when we are dealing with a power of such basic constitutional importance and where each individual citizen is affected in the same manner, to have the issue settled in a reference.

Our brief goes through some of the legal issues, why it is uncertain. We quote Mr. Trudeau, when he was a legal academic, and that was his own point of view, that the matter should be referred to the Supreme Court for elucidation. We also, in the brief, point out why the matter has never really been firmly settled by the courts up to now.

Secondly, we make a proposal in relation to cost sharing and block funding. Canada shifted from cost sharing to block

## [Translation]

canadien, M. William Cox et M. David Matas. Je demande à M. Cox et M. Matas d'avancer, s'il vous plaît.

Nous avons ici M. William Cox, c.r., président de l'Association du Barreau canadien et M. David Matas, Président de la Section du droit constitutionnel et du droit international. Nous avons votre mémoire, monsieur Cox. Voulez-vous en donner lecture ou préférez-vous le résumer? Nous pouvons le faire annexer à nos délibérations d'aujourd'hui.

**M. William Cox, c.r. (président, Association du Barreau canadien):** Non, monsieur le président. Je ferai d'abord quelques observations et ensuite M. Matas résumera notre mémoire, puis nous pourrions répondre à des questions.

**Le président:** C'est très bien. Êtes-vous d'accord pour que le mémoire de l'Association du Barreau canadien soit imprimé en appendice à nos délibérations d'aujourd'hui?

**Des voix:** D'accord.

**Le président:** Monsieur Cox.

**M. Cox:** Monsieur le président, membres du groupe de travail, l'Association du Barreau canadien est heureuse d'avoir cette occasion de faire connaître son point de vue à votre groupe de travail au sujet des accords fiscaux entre le fédéral et les provinces.

Notre mémoire s'inspire surtout d'un document produit par l'Association du Barreau canadien et intitulé *Vers un nouveau Canada*. Je suis certain que les membres du comité connaissent ce document et nous en avons quelques exemplaires, si vous les désirez. Notre position repose sur le principe longuement débattu par l'Association du Barreau canadien dans son rapport: *Vers un Canada nouveau*. M. Matas auriez-vous l'obligeance de résumer ce que nous en avons retenu dans notre mémoire.

**M. David Matas (président, Section du droit constitutionnel et international, Association du Barreau canadien):** M. le président, nous avons d'abord voulu signaler que les pouvoirs de déboursier du fédéral et des provinces étaient mal définis. Les deux ordres de gouvernement ont dépensé des milliards de dollars au cours des années sans avoir déterminé s'ils disposaient des pouvoirs juridiques pour justifier ces dépenses, notamment les dépenses du fédéral dans les domaines de la santé et de l'enseignement postsecondaire. L'Association du Barreau canadien propose la création d'un comité qui serait chargé de déterminer si le pouvoir de dépenser relève de la compétence du fédéral ou non. Puisqu'il s'agit d'un pouvoir d'une importance constitutionnelle fondamentale et que chaque citoyen est directement touché, il serait approprié que la question soit tranchée par un comité.

Nous expliquons dans notre mémoire pourquoi nous estimons que ces pouvoirs sont mal définis. Nous citons M. Trudeau qui a déjà exprimé l'avis, lorsqu'il était professeur de droit, que la question devrait être renvoyée à la Cour suprême. Nous expliquons également dans notre mémoire pourquoi la question n'a jamais vraiment été tranchée par les tribunaux jusqu'ici.

Deuxièmement, nous avançons une recommandation au sujet des programmes à frais partagés et du financement



## [Texte]

funding in 1977 for the established programs. The figures show that since the end of cost sharing, if we notionally allocate all the block funds to health and education, the federal share of total spending on health and education has increased, the provincial share has decreased. In some years, in some provinces, the federal increase in cash and tax points for health and education is greater than the total increase in spending on health and education in the province.

One disadvantage of spending beyond regulatory jurisdiction is the loss of accountability. Since the same citizens vote in both federal and provincial elections, they must be able to determine readily which government is responsible for what, otherwise the democratic control of power becomes impossible—that is also a quote from Mr. Trudeau when he was an academic. Once both levels of government are involved, there is a tendency for each level to blame the other for anything that goes wrong.

The bar does not, in principle, oppose the existence of a spending power, on the contrary, the Canadian Bar Association Committee on the Constitution has supported it. I would like to read a quote from that report, *Towards A New Canada*. I will read it in French. In French it was called *Vers un Canada nouveau*: Le point de vue opposé prend pour hypothèse que tous les problèmes sont ou exclusivement nationaux, ou exclusivement locaux, et qu'ils demeurent toujours les mêmes...

Il serait théoriquement possible de redéfinir les pouvoirs constitutionnels de manière à faire face à des situations nouvelles au fur et à mesure qu'elles surgissent. En réalité, cependant, les modifications constitutionnelles sont le fruit d'une évolution lente. Et, même si on pouvait les réaliser, elles ne seraient pas nécessairement la meilleure solution. Un transfert complet des pouvoirs peut ne pas opérer le meilleur équilibre constitutionnel qui soit. Le Parlement fédéral peut avoir une influence à cause de sa force financière, mais le pouvoir législatif provincial fournit l'assurance d'une direction constante dans ces domaines au niveau local. A notre avis, le pouvoir fédéral de dépenser devrait être conservé.

Generally the bar's position in relation to cost sharing is support for cost sharing in all provinces, provided there is a national consensus, with opting out, compensation and portability. A national consensus, in terms of the bar committee report, was two thirds of those voting in a reconstituted Upper House, which is something, of course, we do not have now, but the principles could be worked out all the same. If one of our larger provinces opted out, we could still have a national consensus, or if a couple of the smallest provinces opted out we still could, but not otherwise. But if we had this sort of opting out it is likely that the opting out provinces would, in any case, want to set up a program to replace the one in which it refused to participate. There is no such likelihood with a large number of provinces opting out. With a large number of provinces opting out we would have a form of block funding.

## [Traduction]

global. En 1977, le Canada est passé de ce genre de programmes au financement global des programmes établis. Les chiffres révèlent que c'est à partir de cette date, si nous ventilons à l'échelle nationale tous les fonds globaux réservés à la santé et l'éducation, que la part du fédéral a augmenté et que celle des provinces a diminué. Pour certaines années, dans certaines provinces, l'augmentation des déboursés en espèces et en points d'impôts fédéraux pour la santé et l'éducation est supérieure à l'augmentation totale des dépenses de la province pour la santé et l'éducation.

L'un des désavantages de dépenser sans se soucier des limites juridictionnelles, est l'impossibilité de déterminer les responsabilités. Étant donné que les mêmes citoyens votent aux élections provinciales et fédérales, ils devraient facilement pouvoir déterminer de quel gouvernement relève tel ou tel programme. Sinon, le contrôle démocratique du pouvoir devient impossible, d'après M. Trudeau à l'époque où il était professeur. Lorsque les deux ordres de gouvernement participent, la tendance est de blâmer l'autre en cas de difficultés.

En principe, le Barreau ne s'oppose pas à l'existence d'un pouvoir de dépenser. Au contraire, le Comité sur la Constitution de l'Association du Barreau canadien l'appuie. Voici d'ailleurs ce qu'il dit dans le rapport *Vers un Canada nouveau* ou *Towards a New Canada* en anglais: This argument assumes that all problems are either totally national or totally local, and that these remain static over time...

It would be theoretically possible to redefine constitutional powers to meet new situations as they arise. In the real world, however, constitutional amendment is a slow process. And even if it could be achieved, it would not necessarily be the best solution. A complete transfer of power may not effect the best constitutional balance. The federal Parliament can influence action because of its financial strength, but provincial legislative power gives assurance of continuing local direction in such matters. In our views, therefore, the federal spending power should be retained.

En général, le Barreau est en faveur des programmes à frais partagés pour toutes les provinces pourvu qu'il y ait consensus national au sujet de la possibilité de se retirer, de la compensation et de la transférabilité. Le rapport du Comité du Barreau entend par consensus national l'accord des deux tiers d'une chambre haute transformée qui, naturellement, n'existe pas encore. Il n'en demeure pas moins que les principes pourraient être établis. Qu'une des provinces importantes ou deux des plus petites décident de se retirer, nous pourrions quand même avoir un consensus national mais non autrement. Si cette possibilité existait, sans doute que les provinces qui décideraient de se retirer établiraient leur propre programme pour remplacer celui auquel elles refusent de participer. Ce qui ne se produirait pas si plusieurs provinces décidaient de ne pas participer, dans un tel cas nous pourrions opter pour une sorte de financement global.

[Text]

• 1125

Secondly, we support cost sharing in some provinces without compensation in others. We support tied funding. We are opposed to block funding, and we are opposed to cost sharing in all provinces—without opting out, without compensation, and without portability. If those conditions are not met, then we would be opposed to cost sharing.

The 1977 act provides for termination of the established programs cash contributions on three years' notice, and we propose that the Government of Canada take advantage of this provision and terminate the program.

In conclusion of this summary, we say that federal spending on objects beyond regulatory jurisdiction should be based on a sound legal foundation, and spending should be based on clear principles. To establish the legal foundation, there should be a reference to realize the principles. There should be an end to block funding of established programs. There should be tied funding and cost sharing with the have-not provinces. There should be a return to cost sharing generally, provided there is a national consensus, opting out with compensation, and portability.

That is what we wanted to say by way of introductory summary.

**The Chairman:** Mr. Thacker.

**Mr. Thacker:** Mr. Chairman, with great respect, I am confused, and I would ask that it be clarified . . .

**The Chairman:** A lawyer like yourself, Mr. Thacker.

**Mr. Thacker:** Yes, maybe that is why I am confused.

Support for cost sharing in all provinces with opting out, compensation and portability, support for cost sharing in some provinces without compensation in others support for tied funding, opposition to block funding but opposition to cost sharing in all provinces without opting out, without compensation, without portability—I am sorry, I am confused on that. Could you maybe go through it in a more orderly way for my mind?

**Mr. Matas:** One and five are just supposed to be the opposites of each other. The fifth one is just meant to be the negative of the first one. All we meant to say by the last one is that if the conditions of a national consensus, opting out with compensation, and portability are not met, then we should not undertake a cost-shared program generally; whereas if these conditions are met, then we should.

About the more specific one about certain provinces only, perhaps I could refer you to page 11. We say "The Bar Committee contemplated cost sharing in certain provinces only". Then I quote from Bar Committee report:

[Translation]

Nous sommes aussi en faveur du partage des frais pour certaines provinces sans la compensation pour d'autres. Nous sommes en faveur du financement conditionnel. Nous nous opposons au financement global et au partage des frais pour toutes les provinces sans la possibilité de se retirer, la compensation, et la transférabilité.

La Loi de 1977 stipule qu'il est possible de mettre fin aux contributions en espèces pour les programmes établis sous réserve d'un préavis de trois ans. Nous proposons que le gouvernement du Canada en profite pour mettre fin au programme de F.P.E.

Pour conclure ce résumé, nous estimons que les sommes engagées par le fédéral à l'égard de programmes pour lesquels la juridiction constitutionnelle n'est pas définie, ne devraient être versées que si sa juridiction et les principes sont bien définis. La définition de ces principes devrait être renvoyée à un comité. On devrait mettre un terme au financement global des programmes établis. Les provinces les moins bien nanties devraient pouvoir participer à un programme de financement conditionnel et aux programmes à frais partagés. En général, le fédéral devrait revenir au principe du partage des frais, pourvu qu'il y ait consensus national, la possibilité de se retirer, la compensation et la transférabilité.

C'est ce que nous voulions dire dans cette introduction.

**Le président:** M. Thacker.

**M. Thacker:** Monsieur le président, veuillez m'excuser mais je ne comprend pas et je voudrais qu'on m'explique . . .

**Le président:** Vous, monsieur Thacker, un avocat.

**M. Thacker:** Oui et c'est peut-être pourquoi je ne comprend rien.

En faveur de programmes à frais partagés pour toutes les provinces avec la possibilité de se retirer, compensation et transférabilité; en faveur du partage des frais pour certaines provinces sans compensation pour d'autres, en faveur du financement conditionnel, et contre le financement global mais contre le partage des frais pour toutes les provinces s'il n'y a pas la possibilité de se retirer, compensation et transférabilité . . . Je m'excuse mais je ne comprend pas. Auriez-vous l'obligeance de répéter ce que vous venez de dire de façon plus ordonnée?

**M. Matas:** Un et cinq sont tout simplement censé être le contraire l'un de l'autre. Tout ce que nous avons voulu dire en mentionnant le dernier point est que si les conditions d'un consensus national, la possibilité de se retirer, la compensation et la transférabilité, n'existent pas, alors nous ne devrions pas, en général, nous engager dans un programme à frais partagés; sinon nous n'y voyons pas d'objection.

Au sujet du point particulier où je parle de certaines provinces seulement, je vous renvoie à la page 11. Nous y disons: «Le Comité du Barreau estime que les programmes à frais partagés devraient être réservés à certaines provinces. Le Comité du Barreau poursuit en disant:



## [Texte]

Programs that involve federal spending in only one or a few provinces should not be subject to the requirement of a national consensus or the consequential system of compensation that applies to national programs.

I point out also that this notion of restricted cost sharing is similar to a Hall Commission proposal. The Hall Commission proposed that the federal government cost-share with have-not provinces additional health services which these provinces want to institute.

So the point is that for the have-not provinces, the Bar would be in favour of a cost-sharing program offered to them specifically, and there would not be compensation to the other provinces which did not take part in it because it would be just a specific program for some provinces. But where there is a general program, there would have to be opting out and compensation.

We also point out that in a general program, whether or not there are opting out and compensation, obviously—this gets back to the requirement of a national consensus—obviously we would not undertake the program if a lot of provinces wanted to opt out. It would make no sense. It would end up being a form of block funding and there would not be the national consensus. So if a lot of provinces wanted to opt out, it would not be undertaken. If it were undertaken with a national consensus and subsequently a lot of provinces opted out, it would be terminated.

Portability means that a person who moves from an opting-in province to an opting-out province would have transferable benefits. Portability in itself we feel is necessary to allow for movement throughout Canada, and it is also an incentive to have a similar program set up in an opting-out province. In effect, that is what happened, if you recall, with the the Canada Pension Plan. The Canada Pension Plan is a plan where there was opting out. Quebec opted out, but it does have a similar program. In general—and this is something we say in the brief—portability is an incentive to set up a program similar to the one being cost-shared. Otherwise a province would have residents some of whom would be entitled to say that medicare is an accrued benefit from another province. Other residents, not having come from a participating province, would not be entitled to medicare.

I hope that is a clarification. That is basically what we mean by those recommendations.

**Mr. Thacker:** Thank you, Mr. Chairman.

• 1130

**The Chairman:** Mr. Herbert.

**Mr. Herbert:** Yes, I have one nonlegal question. I am not too worried about the legalities of what we do if we have, as we do at the present, 11 governments operating in agreement and operating reasonably well. There are lots of problems, and

## [Traduction]

Les programmes qui entraînent des dépenses dans une ou plusieurs provinces seulement ne devraient pas être soumis à l'exigence d'un consensus national ni à la méthode accessoire de compensation qui s'applique aux programmes nationaux.

Je signale également que le principe du partage des frais que dans certaines circonstances est conforme à une proposition de la Commission Hall. Dans son rapport, la Commission propose que le gouvernement fédéral partage avec les provinces moins bien nanties les frais relatifs aux services de santé additionnels dont ces provinces désirent se doter.

Donc, pour ces provinces, le Barreau est en faveur d'un programme à frais partagés établi spécifiquement pour elles. Les autres provinces qui n'y participeraient ne pourraient exiger de compensation puisque le programme serait réservé à certaines provinces. Par contre, lorsqu'il s'agit d'un programme général, les provinces devraient avoir la possibilité de se retirer et être compensées.

Nous signalons également que dans le cas d'un programme général, qu'il y ait ou non la possibilité de se retirer et compensation, si plusieurs provinces n'étaient pas intéressées à participer, alors le programme ne serait pas mis sur pied. Ceci nous ramène à la nécessité d'avoir un consensus national. Il va sans dire qu'il serait inutile d'entreprendre un programme auquel les provinces ne veulent pas participer. Ce ne serait qu'une forme de financement global et il n'y aurait pas de consensus national. Si par contre il y avait consensus national et que par la suite plusieurs provinces décidaient de se retirer, le programme prendrait fin.

Par transférabilité nous entendons qu'une personne qui déménage d'une province participante à une province non participante, jouirait des avantages du programme. Nous estimons que cet aspect est nécessaire afin de permettre le libre mouvement de la population au Canada sans compter que c'est un élément qui pourrait inciter une province qui a décidé de ne pas participer à établir un programme analogue. En effet, c'est ce qui s'est produit avec le régime de pensions du Canada, si vous vous souvenez. Dans ce cas en particulier, le Québec a décidé de ne pas participer mais il s'est doté d'un régime analogue. En général, et nous le mentionnons dans le mémoire, la transférabilité est un élément incitatif pour amener une province à établir un programme analogue au programme à frais partagés. Sinon, certains résidents d'une province auraient droit à l'assurance-santé d'une autre province, tandis que d'autres n'y auraient pas accès parce qu'ils arrivent d'une province non participante.

J'espère avoir pu éclaircir la question. C'est fondamentalement ce que nous voulons dire par nos recommandations.

**M. Thacker:** Merci monsieur le président

**Le président:** M. Herbert.

**M. Herbert:** Ma question n'a rien de juridique. Je ne suis pas inquiet outre mesure au sujet des aspects juridiques de ce que nous faisons si nous avons, comme c'est le cas actuellement, onze gouvernements qui s'entendent et des programmes



*[Text]*

those have been brought before the committee, but if we put things in perspective, we have a pretty good operation going at the present time, in a general sense. If we can have a similar agreement between 11 governments before the end of the year when these agreements expire, I frankly cannot get too uptight about whether it is legal or not. But we are sitting here because we anticipate that it may not be easy to get such an agreement again between the 11 levels of government. If you object to legalities of what is going on right now, I doubt that you will object to the fact that the federal government can make direct contributions to the individual. Under those circumstances, if we run into a real tough bargaining session with the provinces and we are unable to make a reasonable agreement for them to operate their social services and so on at a level that we find adequate from a national point of view, maybe we should just forget about intervention in a provincial sphere of influence and go directly to what we can do, if we have the power to do, and that is to funnel the money directly to the people that need it, to the individuals that need it, and of course I am talking about the guaranteed annual income.

**Mr. Matas:** I guess I have a couple of responses to that. First of all, the legal issue is the same. The legal issue is whether or not the federal government is able to spend on objects beyond regulatory jurisdiction.

**Mr. Herbert:** Are you disputing then that a guaranteed annual income is within the federal sphere of responsibility?

**Mr. Matas:** I am talking about the established programs; I am talking about health and education. I think it is quite clear that in terms of power to legislate over education the power is with the provinces, and the power to legislate over hospitals is with the provinces. The question, as I understand it, is whether, if we cannot get agreement with the provinces, we can just give money to hospitals and universities or students.

**Mr. Herbert:** To individuals.

**Mr. Matas:** Or to individuals for the purpose of spending. I believe Prince Edward Island, for instance, suggested that grants be given to students to go to university. But the legal issue remains the same. If you remember . . .

**Mr. Herbert:** Well, explain that to me because I do not understand.

**Mr. Matas:** Yes, I will explain that. If you remember, the issue first arose, or I should not say first but at least it was most fully canvassed, and the cases I refer to are the unemployment insurance reference. Unemployment insurance, which is clearly money given directly to individuals, was held by both the Supreme Court of Canada and the Privy Council on appeal to be unconstitutional. A constitutional amendment had to be passed to give a legislative basis for unemployment insurance. Now, it is more than just spending there because there was some regulation as well.

*[Translation]*

qui fonctionnent raisonnablement bien. Plusieurs problèmes ont été soumis au comité, mais si nous les regardons avec un peu de recul, le système actuel n'est pas si mal en général. Si les onze gouvernements parvenaient à s'entendre d'ici la fin de l'année à l'expiration des accords, franchement je ne me poserais pas trop de questions quant à la légalité de l'entente. La raison pour laquelle nous sommes ici par contre est que nous anticipons éprouver certaines difficultés à amener les onze gouvernements à s'entendre de nouveau. Si vous avez des objections d'ordre juridique au sujet de ce qui se passe présentement, je doute fort que vous en ayez au sujet du fait que le gouvernement fédéral peut verser directement des fonds aux particuliers. Dans de telles circonstances, si les séances de négociation avec les provinces se révèlent réellement difficiles et que nous ne parvenons pas à conclure une entente raisonnable qui permettrait aux provinces de dispenser leurs services sociaux, ainsi de suite, alors nous devrions peut-être ne plus penser nous ingérer dans une sphère d'influence provinciale et agir unilatéralement, si nous avons le pouvoir pour le faire, c'est-à-dire verser les fonds directement à ceux qui en ont besoin, aux particuliers, et ici je parle naturellement du revenu annuel garanti.

**M. Matas:** J'aurais une ou deux choses à dire là-dessus. Premièrement, la question juridique est la même, il s'agit de savoir si le gouvernement fédéral a le droit de dépenser pour des questions qui ne relèvent pas directement de sa compétence.

**M. Herbert:** Mettez-vous en doute le fait que le revenu annuel garanti relève du fédéral?

**M. Matas:** Je parle des programmes établis, des programmes de santé et d'éducation. Je crois que tous conviendront qu'en matière d'éducation et d'hôpitaux, le pouvoir législatif réside chez les provinces. La question, sauf erreur, est celle de savoir si nous ne pouvons pas nous entendre avec les provinces, pouvons-nous verser les fonds directement aux hôpitaux et aux universités ou aux étudiants.

**M. Herbert:** Aux particuliers.

**M. Matas:** Ou aux particuliers. Par exemple, je crois que l'Île-du-Prince-Édouard a proposé que les bourses soient remises aux étudiants pour leur permettre de faire des études universitaires. Il en demeure pas moins que la question juridique reste la même. Si vous vous souvenez . . .

**M. Herbert:** Je vous demanderais alors de m'expliquer tout ça car je ne comprends pas.

**M. Matas:** Voilà. Si vous vous souvenez, la question s'est d'abord posée, je ne devrais pas dire d'abord puisqu'elle a déjà été étudiée à fonds. Enfin je pense ici au programme d'assurance-chômage. L'assurance-chômage qui, de toute évidence, est de l'argent remis aux particuliers, a été considérée comme étant inconstitutionnelle et par la Cour suprême du Canada et par le Conseil privé à la suite d'un appel. Il a fallu apporter un amendement à la Constitution pour que l'assurance-chômage devienne constitutionnelle. Il ne s'agissait pas uniquement d'une question de dépenses puisqu'il a fallu prévoir des règlements.

*[Texte]*

But in terms of the issue of whether or not the federal government can spend on objects beyond regulatory jurisdiction, the issue is what the objects are rather than who the beneficiary is. When the federal government is giving money for the purpose of education, whether it is to a province or to an individual, this question arises. The bar is not saying that the spending is legally invalid. All we are saying is that the state of the authorities at present are uncertain, and they have been for quite some time, and it would be appropriate to have the matter clarified, given the magnitude of the spending involved.

Also, the bar feels that there are other alternatives besides getting agreement with 11 governments and giving money to individuals. We have talked about two other alternatives, well, I suppose three. one of them is cost sharing with just the have-not provinces, and as long as those have-not provinces are in agreement, that could function. We have talked about tied funding, and what that would mean is that as long as the provinces are willing to accept the tie, or the institutions or whoever the beneficiary is is willing to accept the conditions that go along with the money, than that can function. And we have talked about cost sharing with opting out, which is not agreement with all 11 governments. It would mean a national consensus, but we could have one major province or a couple of the minor provinces disagreeing and still embark on a general cost-sharing program.

• 1135

**Mr. Herbert:** I get the impression we are getting into a field maybe beyond our depth, because it occurs to me you are suggesting that we are not entitled to be in a student loan program, we are not entitled to contribute moneys to hospital construction, maybe even we are not entitled to enter into direct intervention in economic development. I do not know where we stop with this line of thought. I have always assumed—and apparently from what you are telling me, not necessarily correctly—the one thing we can do is feed moneys directly into the pockets of individuals. I have always seen this as the ultimate tool the federal government has to help those who are in circumstances where they need financial support, whether it be students or the sick or the poor. But I infer from what you are telling me that we should go to the Supreme Court first and find out whether we have the power to do just about anything.

**Mr. Matas:** Well, not just about anything. Of course, there is no question that . . .

**Mr. Herbert:** In this area that we are discussing . . .

**Mr. Matas:** Yes.

**Mr. Herbert:** . . . feeding moneys into the pockets of individuals, if we are unable for some reason to get an agreement with the provinces.

**Mr. Matas:** Yes, that is correct.

*[Traduction]*

Mais en ce qui concerne la question de savoir si oui ou non le gouvernement fédéral peut consacrer des fonds à des programmes pour lesquels il n'existe aucune réglementation, il s'agit de définir les programmes plutôt que de connaître les bénéficiaires. Lorsque le gouvernement fédéral donne de l'argent à des fins d'éducation, que ce soit à une province ou à un particulier, la question se pose. Le Barreau ne dit pas que la dépense est illégale. Tout ce que nous disons c'est que les modalités d'autorisation sont mal définies actuellement et ce depuis quelque temps et qu'il serait bon de régler la question compte tenu de l'amplitude des dépenses.

Le Barreau estime également qu'il existe d'autres possibilités outre que l'entente avec onze gouvernements et que donner de l'argent à des particuliers. Nous en avons mentionné deux. Je dirais plutôt trois. L'une d'elles est un programme à frais partagés avec les provinces moins bien nanties tant que ces provinces ne s'y opposeraient pas, un tel programme pourrait marcher. Nous avons aussi parlé du financement conditionnel, et par là nous entendons qu'aussi longtemps que les provinces conviennent de la condition, ou que les institutions ou qui que ce soit qui en sera le bénéficiaire accepte les conditions à respecter pour obtenir l'argent, alors il n'y aura pas de problèmes. Et nous avons aussi parlé du des programmes à frais partagés avec la possibilité de ne pas participer. Il ne s'agit pas d'une entente avec les onze gouvernements. C'est plutôt un consensus national ou une des principales provinces ou une ou deux des plus petites provinces pourraient être en désaccord, ce qui ne nous empêcherait pas de nous lancer dans un programme général à frais partagés.

**M. Herbert:** J'ai l'impression que nous nous lançons dans un domaine qui dépasse la discussion. J'ai l'impression que vous me dites que nous n'avons pas le droit de participer à un programme de prêts pour étudiants, de contribuer des fonds pour la construction d'hôpitaux, ou peut-être même d'intervenir directement en matière de développement économique. Je ne sais pas où je dois m'arrêter. J'ai toujours tenu pour acquis, et tant mieux si je me trompe, qu'une chose que nous pouvons faire est de verser des fonds directement dans les poches des particuliers. Cela m'a toujours paru comme un outil important dont disposait le gouvernement fédéral pour aider ceux qui se retrouvent dans des circonstances où ils ont besoin d'aide financière, que ce soit des étudiants ou des malades ou des pauvres. Or, d'après ce que vous me dites je conclus que nous devrions nous adresser d'abord à la Cour suprême pour savoir si nous avons le pouvoir de faire à peu près quoi que ce soit.

**M. Matas:** Pas quoi que ce soit. Il va sans dire qu'il n'est pas question . . .

**M. Herbert:** Au sujet de ce que nous discutons présentement . . .

**M. Matas:** Oui.

**M. Herbert:** . . . de verser de l'argent directement dans les poches des particuliers. Si pour une raison quelconque nous ne parvenons pas à nous entendre avec les provinces.

**M. Matas:** C'est exact.



## [Text]

**Mr. Herbert:** This should be clarified in the Supreme Court.

**Mr. Matas:** Yes, that is correct.

**The Chairman:** But you go even further. You are suggesting it should be referred even if the 11 governments do agree.

**Mr. Matas:** Even; that is right.

**The Chairman:** You question the legal capacity—if that is the right word—the validity of an agreement of 11 governments.

**Mr. Matas:** That is right. That is precisely the point.

Let me give you an example from municipal law. Municipal law is different from federal and provincial law, but if municipalities spend on objects beyond their regulatory jurisdiction, it will be held invalid, the money will have to be refunded in some way, and ratepayers can challenge the spending. That has happened. I believe it happened here in Ottawa that the government of Ottawa gave money for spending beyond Ottawa boundaries. It was challenged by a ratepayer and the money had to be refunded.

As I mention in the brief, until now this sort of challenge has never taken place by an individual because until now the law of standing has been that individuals were not recognized in the courts for the purpose of making these challenges. A doctor in Alberta tried to challenge medicare and he was told at the time that he did not have standing to do that. I refer to that case in the brief. But recently the law of standing has been more clearly articulated by the Supreme Court of Canada, and it leaves open the possibility that an individual may have standing to challenge all this expenditure. If he does have standing, then we would be faced with the possibility of an individual questioning this spending whether or not all 11 provinces agree. But whether an individual has standing or not, and whether or not an individual does at some point challenge all the spending through the courts, since the state of the authority is uncertain, we would suggest that the appropriate cautionary measure—and again, this is something Mr. Trudeau said himself was he was a legal academic—is to refer this to the Supreme Court of Canada.

**The Chairman:** Do you have a comment, Mr. Mendelson?

**Mr. Mendelson:** Yes, I could clarify the reference to the unemployment insurance decision—I am not an expert in this area, but as I understand it, the decision of the Privy Council vis-à-vis the powers of the federal government to enact an unemployment insurance scheme were based on the insurance aspect of the program and not upon the income security aspect of the program. I can quote the Privy Council decision, which stated:

There could be no doubt that *prima facie* provisions as to insurance of this kind, especially when they affect the contract of employment, fall within the class of property and civil rights in the province.

## [Translation]

**M. Herbert:** La question devrait être soumise à la Cour suprême?

**M. Matas:** C'est exact.

**Le président:** Mais vous allez même plus loin. Vous dites que la question devrait être renvoyée à la Cour suprême malgré l'accord des onze gouvernements.

**M. Matas:** C'est exact.

**Le président:** Vous mettez en doute la compétence juridique, si vous me prêter l'expression, des onze gouvernements qui parviennent à s'entendre.

**M. Matas:** Précisément.

Permettez-moi de vous citer un exemple du droit municipal. Le droit municipal diffère du droit provincial et fédéral. Si les municipalités décident de dépenser pour des programmes qui ne relèvent pas de leur compétence, ces dépenses seront considérées comme étant inappropriées et les fonds devront être remboursés d'une façon quelconque. Les propriétaires fonciers peuvent contester la dépense. Ça s'est déjà produit. Je crois que l'occasion s'est présentée ici même à Ottawa où l'administration municipale avait remis une certaine somme d'argent qui a été dépensée à l'extérieur des limites de la ville. Le geste a été contesté par un contribuable local et les fonds ont dû être remboursés.

Comme je le mentionne dans le mémoire, jusqu'ici aucun particulier n'avait contesté un tel geste car la loi est telle que les tribunaux ne reconnaissent pas les particuliers qui désirent s'élever contre ce genre de décision. Un médecin en Alberta a essayé de se faire entendre à l'égard d'une question d'assurance-santé pour se faire dire qu'il n'avait pas le droit de le faire. Le mémoire fait état de ce cas. Dernièrement cependant la loi a été mieux définie par la Cour suprême du Canada à cet égard, et un particulier a maintenant le droit de contester ces dépenses. Donc, s'il a effectivement le droit, nous devons faire face à la possibilité qu'un particulier conteste les dépenses engagées dans le cadre d'un programme, que les onze gouvernements en aient convenu ou non. Or, qu'un particulier en ait le droit ou non, et qu'un particulier décide à un moment donné de contester toutes les dépenses devant les tribunaux, étant donné que la loi est floue à ce sujet, nous proposons comme mesure préventive, et M. Trudeau lui-même l'a dit à l'époque où il était professeur, que la question soit renvoyée à la Cour suprême du Canada.

**Le président:** Avez-vous quelque chose à dire, monsieur Mendelson?

**M. Mendelson:** Oui, j'aimerais apporter des éclaircissements au sujet de la décision concernant l'assurance-chômage. Sauf erreur, et je suis loin d'être un spécialiste en la matière, la décision du Conseil privé vis-à-vis les pouvoirs du gouvernement fédéral de mettre sur pied un programme d'assurance-chômage était fondée sur l'aspect assurance du programme et non pas sur celui de la sécurité du revenu. Voici ce qu'en dit la décision du Conseil privé:

A n'en pas douter, de prime abord, les dispositions relativement à un programme d'assurance de ce genre, en particulier lorsqu'elles touchent le contrat d'emploi,



## [Texte]

On the question of the general right of the federal government to make payments to individuals not within an insurance program but within a noncontributory income security program, there is at least one reference I can think of, and that is the *Angers vs the Minister of National Revenue*, a challenge of the right of the federal government to pay family allowances, which I think was 1944. The right of the federal government to pay family allowances was upheld. So the question of insurance and the question of a general noncontributory income security program are different.

• 1140

**Mr. Matas:** If I may respond to that, first of all I am familiar with the Angers decision but it is a lower court decision for one thing. Secondly, it does not deal with the specific program we are talking about, which is health, at least that is what this brief is directed to. I realize the mandate of your task force goes beyond health and post-secondary education but the Angers case did not deal with that, it dealt with family allowance.

There were conditions, I believe, in family allowance at the time that the children had to go to school to get family allowance.

Also I would like to quote from the case you just quoted from, the Privy Council unemployment insurance case, and I think that this quote shows that the matter is by no means certain. I am reading from the brief, right at the first page. It says:

But assuming that the Dominion has collected by means of taxation a fund, it by no means follows that any legislation which disposes of it is necessarily within Dominion competence. It may still be legislation affecting the classes of subjects enumerated in Section 92, and, if so, would be ultra vires. In other words, Dominion legislation, even though it deals with Dominion property, may yet be so formed as to invade civil rights within the province or encroach upon the classes of subjects which are reserved to provincial competence. It is not necessary that there should be a colourable device or a pretense. If on the true view of the legislation it is found that in reality in pith and substance the legislation invades civil rights within the province or in respect of other classes of subjects otherwise encroaches upon the provincial field, the legislation will be invalid. It would otherwise afford the Dominion an easy passage into the provincial domain.

There are two alternatives here: invade civil rights or encroach upon the classes of subjects which are reserved to provincial competence. Now it is at least arguable—I am not saying that this is the final conclusion—that legislation which disposes of federal funds so as to give them to provinces for education, to individuals for education, to institutions for education is legislation that encroaches upon the class of subject, education, which is reserved to provincial competence.

## [Traduction]

tombe dans la catégorie des droits publics et civils dans une province.

Au sujet de la question du pouvoir général du gouvernement fédéral de verser des fonds directement aux particuliers, non pas dans le cadre d'un programme d'assurance mais dans celui d'un programme non contributif de sécurité du revenu, il me vient un cas à l'esprit, l'affaire Anger contre le ministre du Revenu national, affaire où on contestait le droit du gouvernement fédéral de verser des allocations familiales, affaire qui remonte à 1944. Le gouvernement fédéral a eu gain de cause. Donc, un programme d'assurance et un programme non contributif général de sécurité du revenu sont différents.

**M. Matas:** Je pourrais répondre? Premièrement, je connais bien la décision Angers, rendue par un tribunal de première instance. Deuxièmement, elle ne porte pas sur les programmes dont nous parlons en l'occurrence, les programmes de bien-être, du moins les programmes dont il est question dans notre mémoire. Je suis fort conscient du fait que le mandat du comité se situe au delà des questions de bien-être et d'enseignement post-secondaire. Cependant dans l'affaire Angers il était question d'allocations familiales.

Je crois qu'à l'époque il fallait que les enfants fréquentent l'école pour avoir droit à l'allocation familiale.

Vous me permettrez également de revenir sur l'affaire du Conseil privé, celle que vous avez mentionné au sujet de l'assurance-chômage. Comme vous serez en mesure de le constater d'après l'extrait que je vais vous lire, les choses ne sont pas si claires. On dit à la première page:

Supposons que le fédéral tente de recueillir un fond par le truchement d'une taxe. L'adoption d'une loi pour disposer du fond ne relève pas nécessairement de la compétence du fédéral. Ce pourrait être une loi qui ne respecterait pas les dispositions prévues à l'article 92. Si tel était le cas, la loi serait ultra vires. En d'autres mots, même si une loi fédérale concerne les biens du fédéral, son libellé peut être tel que ladite loi empiète sur les droits civils de la province ou sur des questions exclusivement de compétence provinciale. Il importe peu qu'il y ait motif et peu importe le déguisement qu'elle prendrait. Si après examen on en vient à la conclusion que la loi, en essence et en substance, empiète sur les droits civils ou sur des questions de compétence provinciale, la loi sera invalide. Sinon, le fédéral aurait carte blanche pour s'ingérer dans les affaires provinciales.

En l'occurrence, nous sommes face à deux possibilités: l'ingérence sur les droits civils ou empiètement sur des questions de compétence provinciale. C'est débattable. Je ne veux pas dire par là qu'une loi en vertu de laquelle des fonds sont versés aux provinces, pour l'éducation, à des particuliers pour leur étude, à des institutions d'enseignement, est une loi qui empiète sur un domaine d'exclusivité provinciale, telle l'éducation.

[Text]

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** You have suggested that the federal government stop its EPF and you have also suggested that the EPF money was notionally divided between medical services—hospitals, medicare and so on—and post-secondary education. Would you not agree that that is really not a true statement? The EPF included revenue guarantees; it included transitional payments. Right in the bill there is seven dollars and change per head to each province that is in no way related to either education or medical service. It was part of a block deal; a block deal agreed to by all of the participants, all of the 11 governments.

One of the things that I have found throughout these hearings is a suggestion that these funds were for those specific programs, when in fact, if you go back on the history of it, and indeed the act itself, funds and tax points were allotted that have no relationship to either of the programs.

**Mr. Matas:** Established programs is a defined term, and the established programs are post-secondary education, hospitalization and medicare.

**Mr. Blenkarn:** The term in the act was defined but the fact is that the money included a heck of a lot more than just the established programs. It was in a sense a settlement with the provinces to accept blocks of money in lieu of cost-sharing programs and in lieu of certain arrangements concerning the income guarantees that were to expire in 1980 as a result of the 1971 tax change.

**Mr. Matas:** This has been a subject of much debate. It went on before the Hall Commission. There are two different points of view, and I outlined them in the brief and perhaps I could just summarize what the two points of view are. The first view was that the shift to block funding was meant to do only two things, it was meant to put a ceiling on federal expenditures in health and education, and it was meant to give flexibility within health and education, as to what health services and what education services were to be financed by the provinces. All of the cash and all of the yield of the transferred tax points would be spent on health and education because the federal contributions to health and education were fixed at the level of the block fund. Provincial spending would be needed to meet all the percentage increase in spending beyond the proposed percentage increase in the block fund. These increases had, under cost sharing, been half met by the federal government, so the provincial share of spending on health and education would increase.

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The other view, which I understand basically to be the view you have put, was that at least insofar as the portion of the block fund that consisted of the transfer of tax points was concerned, the money could be spent anywhere. It need not be spent on health or education. It could be spent on roads. Block funding meant that the federal share of spending on health

[Translation]

**Le président:** M. Blenkarn.

**M. Blenkarn:** Vous dites que le gouvernement fédéral devrait mettre un terme au financement des programmes établis et également que les fonds devraient être répartis entre les dépenses au titre des services de santé—hôpitaux, assurance-maladie, ainsi de suite—et l'enseignement postsecondaire. Ne convenez-vous pas que c'est une affirmation qui n'est pas totalement vraie. La formule comportait des garanties de revenus, des paiements de transition. Le projet de loi lui-même prévoit \$7.02 par tête dans toutes les provinces, somme qui n'a absolument rien à voir avec l'éducation ou les régimes d'assurance-santé. Les onze gouvernements s'étaient entendus là-dessus, c'est une entente globale.

Tous ceux qui ont comparu devant le comité semblent croire que ces fonds étaient réservés pour ces programmes en particulier lorsqu'en réalité, si nous faisons l'historique de la question et de la loi même, la répartition des fonds et des points d'impôt s'est faite sans que l'on ne tienne compte de l'un ou l'autre de ces programmes.

**M. Matas:** Par programmes établis on entend l'enseignement postsecondaire, le régime d'hospitalisation et l'assurance-santé.

**M. Blenkarn:** La loi définit l'expression. Le fait est cependant que l'argent devait servir à financer beaucoup plus de programmes. D'une certaine manière c'était une entente avec les provinces qui ont préféré recevoir directement les fonds plutôt que de participer à des programmes à frais partagés et plutôt que de conclure des arrangements relativement au programme du revenu garanti qui devait expirer en 1980 aux termes de la révision de la loi de l'impôt en 1971.

**M. Matas:** C'est un sujet qui a été longuement débattu. La Commission Hall en fut saisie. Il y a deux points de vue et je les explique dans le mémoire. En voici un résumé. Le premier était que l'on allait passer au financement global pour deux raisons: plafonner les dépenses fédérales en matière de santé et d'éducation et permettre plus de souplesse à l'égard de ces deux questions, c'est-à-dire quels services de santé et d'éducation allaient être financés par les provinces. La totalité des sommes d'argent et du rendement des points d'impôt transférés serait dépensée pour les services de santé et d'éducation puisque les contributions fédérales pour la santé et l'éducation avaient été fixées par rapport au fonds global. Les provinces devaient combler toutes augmentations procen-tuelles des dépenses supérieures à l'augmentation procen-tuelle prévue dans le cadre du financement global. Aux termes des programmes à frais partagés, le gouvernement fédéral devait payer la moitié de ces augmentations de telle sorte que la part des dépenses provinciales en matière de santé et d'éducation augmenterait.

L'autre point de vue qui, sauf erreur, est celui que vous tenez, était, du moins en ce qui concerne la partie du fonds global qui consistait en transfert de points d'impôt, que les fonds seraient dépensés ailleurs et non pas nécessairement pour les programmes de bien-être ou d'éducation. Ce pourrait être par exemple pour la construction de routes. Le financement



## [Texte]

and education could increase, not decrease. To put in another way, the federal block fund could be used to replace provincial funds previously spent on health and education. Provincial dollars previously spent on health and education to get the matching federal dollars could now be spent on roads.

Now, the bar, as between those two views, does not take a position. We point out that that was basically the position of Mr. Crombie when he was Minister of Health and that is basically your position the second position, and it is basically the position that the Hall Commission took. Now, it is an issue of some complexity and also some heat. We feel that insofar as the bar is concerned it is inappropriate for us to take sides on the issue. We just note that the issue has arisen and we point out what conclusions have been made about it. Our conclusions do not follow from taking one particular side on that issue. We note that whatever side you take, and this is something I have pointed out before, that statistically the federal share of funding on these programs has increased and the provincial share has decreased and that we also know, because there is no tying right now, there is this problem of accountability. It is not so much because of an allegation of funding diversion, which the bar is not making, but because of this problem of accountability that we are suggesting that we get back to cost sharing and abandon block funding.

**Mr. Blenkarn:** One of the major concerns with respect to cost sharing before EPF was expressed by have-not provinces whose budgets were seriously influenced by the fact that certain types of programs were 50-cent dollar programs and they were therefore induced or forced in one way or another into accepting 50-cent dollar programs as opposed to 100-cent dollar programs. You are suggesting we go back to that situation particularly with respect to provinces with low fiscal capacity, perhaps the maritime or Atlantic provinces. How would this help those provinces? How would they be in a better position with this 50-cent dollar program? Do you think they would be happy to accept it instead of block funding which gives them discretion as to where they can in fact spend the money? I point out to you that there has been some suggestion that Prince Edward Island, for example, is in fact being funded with respect to post-secondary education at 150 per cent or something of this nature. If you put them back on a cost-sharing basis, say, in post-secondary education, how do you think that would help them? How do you think that would improve the standard of education in Prince Edward Island? Where would it put that province if they were forced into a cost-sharing program?

**Mr. Matas:** Well, that 150 per cent, I presume, means that they are only spending two-thirds of the money the federal government is giving them for education on education. The advantage of cost sharing is two-fold. It is supposed to help the have provinces and the have-not provinces but it is also supposed to allow for a certain national standard across Canada so that we have more or less the same level of health care everywhere and more or less, within reasonable limits, at least accessible post-secondary education almost everywhere.

## [Traduction]

global signifiait que la part des dépenses du fédéral pour les questions du bien-être et d'éducation pouvait augmenter, non diminuer. En d'autres termes, le fonds global du fédéral pouvait remplacer les fonds que les provinces dépensaient auparavant pour leurs programmes de bien-être et d'éducation, permettant alors à celles-ci d'utiliser leur fonds pour la construction de routes.

Entre ces deux points de vue, le Barreau ne prend pas position. Nous signalons que c'était là foncièrement la position de M. Crombie lorsqu'il était ministre de la Santé et que c'est la vôtre et également celle de la Commission Hall. C'est une question qui est fort complexe et qui n'est pas sans provoquer de vives discussions. Le Barreau estime, en ce qui le concerne, qu'il serait mal vu pour lui de prendre position. Nous ne faisons que signaler la question et les conclusions auxquelles nous sommes arrivés. Quelque soit votre position, et je l'ai déjà dit, statistiquement parlant, la part financière du fédéral à l'égard de ces programmes a augmenté et celle des provinces a diminué. Nous savons également qu'il existe un problème de responsabilité puisqu'aucun programme n'est présentement conditionnel. Le Barreau n'allègue aucunement qu'on s'adonne aux détournements de fonds, mais en raison de ce problème de responsabilité, notre recommandation est de revenir aux programmes à frais partagés et de laisser tomber le financement global.

**M. Blenkarn:** Un des principaux points soulevés à l'égard des programmes à frais partagés avant que l'on adopte la formule de financement des programmes établis a été soulevé par les provinces pauvres dont les budgets étaient gravement perturbés par le fait que le fédéral leur imposait en quelque sorte une dépense de 50 p. 100 étant donné qu'il n'y participait qu'à 50 p. 100. Vous dites que nous devrions revenir à ce genre de situation surtout pour ce qui est des provinces à capacité d'imposition moindre, peut-être les Maritimes où les provinces de l'Atlantique. En quoi cela aiderait-il ces provinces? Seraient-elles dans une meilleure position si elles participaient à 50 p. 100? Croyez-vous qu'elles seraient plus heureuses qu'avec le financement global qui leur laisse carte blanche quant à la façon dont elles dépensent les fonds? Je vous signale que d'aucuns estiment que le programme d'enseignement post-secondaire de l'Île-du-Prince-Édouard, par exemple, est financé à 150 p. 100 à peu près. Or, si nous revenons aux programmes à frais partagés, disons pour l'enseignement post-secondaire, de quelle utilité cela lui serait-il? Le niveau de l'enseignement dans l'Île-du-Prince-Édouard serait-il amélioré? Que ferait la province si elle était obligée de participer à un programme à frais partagés?

**M. Matas:** Pour ce qui est de ces 150 p. 100, je suppose que cela veut dire qu'on ne dépense pour l'enseignement que les deux tiers des fonds que le gouvernement fédéral verse à ce titre. Les programmes à frais partagés présentent deux avantages. Ils sont censés aider les provinces riches et les provinces pauvres et en outre permettre une certaine normalisation à l'échelle nationale de telle sorte que les soins de santé que l'on dispense sont plus ou moins les mêmes partout et une éduca-



[Text]

Now with block funding that money need not be spent on health or it need not be spent on education so we get a situation as you mentioned in Prince Edward Island where two-thirds of the federal money given I suppose notionally for post-secondary education is being spent on post-secondary education and one-third is being spent who knows where else. However, it is not only cost sharing we are recommending. We are recommending tied funding as well and tied funding is 100-cent dollars rather than 50-cent dollars. Certainly it is not our proposal to impoverish the poor provinces. Our proposals are basically constitutional rather than monetary in nature, and we do not have a particular level of spending in mind, either more or less than previously. What we are arguing is that the type of spending which does go on should establish certain basic constitutional principles so that we do have accountability and money given for a purpose is spent on that purpose.

• 1150

**Mr. Blenkarn:** One of the criticism—I want to come back to your theoretical position, because I presume your theoretical position is that perhaps the federal government should not be doing this at all; perhaps it is beyond the competence of the federal government; perhaps there should be constitutional changes specifically to allow certain changes in spending. But if we carry on with what you are suggesting in cost sharing programs, then are not we back in the situation where the federal government must determine the exact kind of service, and the position where we have bookkeepers ad nauseam at the federal and provincial levels determining whether or not in fact the dollars were spent exactly within the terms of a program to be entitled to be cost shared or not? Is that not the thing we got out of when we transferred the established programs to the provinces and expected their voters to discipline their provincial governments in the delivery of the service to their constituents?

**Mr. Matas:** I agree with what you say. Cost sharing involves this bookkeeping; it involves making sure the money is spent. But our experience has been that without that bookkeeping, the money is not spent. We can say it is up to the provincial voters to discipline their provincial governments. That is fine. But then, why should the federal government be giving them the money when it is not spent on the purpose for which it is given? The purpose is not just to help the budgetary situation of the provinces. That is done through equalization. It is meant to provide a level of services in these particular areas which is common throughout Canada, for the purpose of unifying the country, of allowing for mobility throughout the country. It may well be that if we relied simply on provincial voter discipline or provincial voter will—in some provinces it might be the political will at one time to have a very low level of health services and a very low level of post-secondary education, yet it might well be in Canada's national interest to have

[Translation]

tion post-secondaire plus ou moins accessible, dans des limites raisonnables.

Dans le cas du financement global il n'est pas nécessaire que les fonds soient dépensés pour des programmes de bien-être ou d'éducation. Alors nous sommes devant une situation comme celle que vous venez de mentionner au sujet de l'Île-du-Prince-Édouard où les deux tiers des fonds du fédéral, versés, je suppose, au titre de l'enseignement post-secondaire, sont effectivement consacrés à l'enseignement post-secondaire et le tiers dans un autre programme quelconque. Cependant, nous ne faisons pas que recommander le retour aux programmes à frais partagés. Nous recommandons que le financement soit conditionnel à 100 p. 100 plus tôt qu'à 50 p. 100. Il va sans dire que notre intention n'est nullement d'appauvrir davantage les provinces pauvres. Nos recommandations sont fondamentalement d'ordre constitutionnel plutôt que monétaire. Il n'est pas question d'avancer un chiffre quelconque, soit plus ou moins qu'antérieurement. Notre position est que les dépenses qui se font actuellement devraient se faire selon certains principes constitutionnels fondamentaux de sorte que l'on sache qui est responsable et où sont dépensés les fonds.

**M. Blenkarn:** Je voudrais revenir sur votre position théorique car je suppose que vous estimez que le gouvernement fédéral ne devrait pas agir comme il le fait; qu'il outrepassa sa compétence; qu'il devrait y avoir des changements constitutionnels bien précis au sujet des pouvoirs de dépenser. Or, si nous nous embarquons dans le genre de programmes à frais partagés dont vous parlez, ne revenons-nous pas alors à la situation où le gouvernement fédéral doit déterminer le type de services, et la situation où nous devons embaucher une multitude de comptables aux deux paliers de gouvernement, fédéral et provincial, dont le travail consisterait à déterminer si en fait les fonds sont dépensés dans le cadre du programme auquel ils étaient destinés, que ce soit un programme à frais partagés ou non? N'est-ce pas ce que nous avons essayé d'éviter lorsque la décision a été prise de transférer les programmes établis aux provinces dans l'espoir que les électeurs sauraient insister auprès de leur administration provinciale pour obtenir les services prévus dans le cadre des programmes en question?

**M. Matas:** J'en conviens, les programmes à frais partagés comportent une part de comptabilité afin de s'assurer que l'argent soit bien dépensé. Or, l'expérience nous a enseigné que sans cette comptabilité, l'argent n'est pas dépensé. Effectivement, nous pouvons laisser aux électeurs provinciaux le dernier mot en la matière. Si tel est le cas, alors pourquoi le gouvernement fédéral leur verserait-il de l'argent si celui-ci n'est pas dépensé aux fins auxquelles il était destiné? L'objet est non seulement de venir en aide aux provinces, ce qui se fait par le truchement des paiements de péréquation, mais l'argent doit leur permettre d'offrir un minimum de services dans différentes régions au Canada aux fins d'unification du pays et d'assurer la mobilité d'une province à l'autre. Si nous nous fions uniquement à la volonté des électeurs provinciaux, il se pourrait fort bien que dans certaines provinces la volonté politique à un moment donné soit de restreindre les fonds au titre des services de santé et de l'enseignement postsecondaire,

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a fairly common high level across Canada just so that we have mobility throughout Canada.

**Mr. Blenkarn:** All right.

Now, are you not, with your stress on opting-out ability by the provinces from programs, really getting us back into some sort of checkerboard situation in the country? I am unhappy with the fact that the Province of Quebec can have its own pension plan; can have perhaps different tax arrangements; and so on. Are you not encouraging, in your submission, all sorts of opting out; all sorts of arrangements between provinces and the federal government which are likely to wind up with different methods of taxation, different methods of delivery of service in various parts of the country? Is that not the effect of opting out?

**Mr. Matas:** Yes and no. Normally this "checkerboard" phrase you have used is not used in relation to opting out; it is used in relation to special status. The two have to be distinguished. If you have a special status on a constitutional level, there is no constitutional jurisdiction with the federal government to legislate for the province that has special status. When you have opting out, the constitutional jurisdiction remains with the federal government, it is just not exercised completely at the administrative level in relation to the province that opts out. So there is a legal difference between opting out and special status.

I would also point out that we are proposing portability for all these programs. The Quebec Pension Plan, although it is a special or opted-out program, is similar to the Canada Pension Plan and does exist. It is not as though there were no pension plan in Quebec and there were in the rest of Canada. That, we believe, would be an unfortunate situation, and something the Bar would not like to see. But where you have a program in a province which is administered separately by it, and has the variations that go with separate administration, we are not opposed to that.

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As we said with portability, we anticipate that the very requirement of portability would ensure that even for a province that has opted out with compensation there would be at least a similar program, if not an identical program. Otherwise, you would get in effect in any province that opted out, if they did not have a similar program, two classes of residents; one that has moved from another province and has accrued benefits which would have to be given by the province to which a person has moved, and another class of residents which have not moved from a participating province and which do not have these accrued benefits. We feel that the very existence of the requirement of portability would prevent opting out from creating a real checkerboard in Canada.

[Traduction]

tandis que l'intérêt national du Canada serait de voir les choses se passer autrement afin de permettre la mobilité d'une province à l'autre.

**M. Blenkarn:** D'accord.

Ne craignez-vous de balcaniser en quelque sorte le pays en insistant comme vous le faites sur la possibilité que devrait avoir les provinces de se retirer des programmes? J'accepte mal que la province de Québec ait son propre régime de retraite, ses propres arrangements fiscaux, ainsi de suite. Dans votre mémoire, n'encouragez-vous pas les provinces à se retirer des programmes, à conclure des arrangements fiscaux fédéral-provinciaux où les provinces sont susceptibles d'aboutir à différents modes de taxation, différents services dans diverses régions du pays? N'est-ce pas là une conséquence de la formule de non participation?

**M. Matas:** Oui et non. Le terme «balcanisation» n'est pas habituellement utilisé pour décrire la formule de non participation, mais plutôt pour décrire un statut spécial. Il faut faire une distinction entre ces deux définitions. Si la Constitution reconnaît à une province un statut spécial, le gouvernement fédéral n'a aucun pouvoir constitutionnel d'adopter des lois à l'égard de la province ayant un tel statut. Or pour ce qui est de la formule de non participation, le gouvernement fédéral ne perd pas son pouvoir constitutionnel. C'est que ce pouvoir n'est pas exercé complètement au niveau administratif à l'égard de la province qui décide de se retirer d'un programme. Il existe donc une différence juridique entre la non participation ou le retrait et le statut spécial.

Je signale que nous recommandons la transférabilité des programmes. Le régime de retraite du Québec, bien que ce soit un régime spécial ou un programme adopté à la suite d'une décision de ne pas participer au régime fédéral, est analogue à celui de ce dernier. Ce n'est pas comme s'il n'y avait aucun régime de retraite au Québec et qu'il y en avait dans le reste du Canada. Nous croyons que ce serait là une situation regrettable que le Barreau ne voudrait pas voir se produire. Mais nous ne nous opposons pas au fait qu'une province administre son propre régime avec les variantes que cela comporte.

Comme nous l'avons dit au sujet de la transférabilité, nous prévoyons qu'une conséquence de l'exigence relative à la transférabilité serait que même si une province se retirait d'un programme avec compensation, elle serait tenue de se doter d'un programme qui serait au moins analogue sinon identique. Autrement, on retrouverait dans une province non participante, qui a décidé de ne pas se doter d'un programme analogue, deux classes de citoyens: ceux qui arrivent d'une autre province où ils ont accumulé certains droits à des prestations que la nouvelle province aurait à leur verser, et ceux qui n'ont pas déménagé d'une province participante et qui n'ont pas droit aux prestations accumulées. Nous estimons que le principe de transférabilité qui fonctionnerait parallèlement à la formule de non participation empêcherait la balcanisation du Canada.



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**Mr. Blenkarn:** Under the present system, have you any evidence that there is no portability with respect to medicare? The evidence we have had so far is that there is a high degree of portability; there is no evidence that people who are sick in British Columbia are not handled or looked after in British Columbia if they come from Ontario.

**Mr. Matas:** No.

**Mr. Blenkarn:** Is there anything wrong with the present system that has impaired portability?

**Mr. Matas:** No. The point we are making is not that there is no portability now. There is portability now and we would like to see it maintained.

**Mr. Blenkarn:** Is there any evidence that it is breaking down?

**Mr. Matas:** The reason we make the suggestion of the shift from block funding to cost sharing is that right now we have block funding and we have an increasing share of federal contributions going to medicare—the example you gave me—and a decreasing share of provincial expenditures. The federal spending, the cash grants and the tax points, are being used to replace provincial spending rather than being used in tandem with provincial spending as existed before. There is a problem of accountability. As you have mentioned before as well, this block fund can be spent anywhere, and that is why we have the shift in percentage.

**Mr. Blenkarn:** Are you not really attacking theoretically the problem rather than the fact of the matter that there is no difficulty with respect to portability in the medicare field—no significant difficulty. I could tell you a couple of problems, but no significant difficulty. Generally speaking, it is working well, and why when you have something that is working reasonably well would you want to kick it out and start afresh doing something that may or may not work as well. Particularly when you suggest all sorts of opting out possibilities, are you not really asking for us to embark on an experiment that has the promise of massive problems?

**Mr. Matas:** First of all, it is not an experiment since it is something we have done before. Now, in terms of working well, I do not think the only test is portability.

**Mr. Blenkarn:** I am going to go on to accessibility. Is there any evidence of accessibility not being available other than perhaps some suggestion that we should have more hospitals in the country, more hospital beds and more whatever?

**Mr. Matas:** I am not, and I do not think the bar proposes to present itself as an expert on health care delivery in the provinces, but we would note that there has been a lot of opting out which has caused a number of complaints and it has caused suggestions from the Hall commission. There has been a lot of complaints within my own province about the level of delivery of services and the funding. There have been suggestions that the health care system has been underfunded. I would say that it is a system that has caused a number of

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**M. Blenkarn:** Dans le système actuel, avez-vous des preuves au sujet de la non transférabilité de l'assurance-santé? D'après les témoignages que nous avons entendus jusqu'ici il existe un degré élevé de transférabilité. Personne ne nous a dit qu'un nouveau résident de l'Ontario s'était vu refuser les mêmes soins médicaux dont il bénéficiait en Colombie-Britannique avant son déménagement.

**M. Matas:** Non.

**M. Blenkarn:** Le système actuel empêche-t-il en quelque sorte la transférabilité?

**M. Matas:** Non. Nous ne disons pas qu'il n'y a pas de transférabilité. Elle existe bel et bien et nous voudrions qu'il en demeure ainsi.

**M. Blenkarn:** Est-ce que le système est en train de craquer?

**M. Matas:** La raison pour laquelle nous suggérons de passer du financement global aux programmes à frais partagés est que présentement, avec le financement global, la part des contributions fédérales pour l'assurance-santé, l'exemple que vous m'avez donné, augmente, tandis que la part de dépenses provinciales à ce titre diminue. Les dépenses du fédéral, les subventions en espèces et les points d'impôt remplacent présentement les dépenses provinciales plutôt que d'être leur équivalent comme c'était le cas auparavant. Il s'agit d'un problème de responsabilité. Comme vous l'avez déjà mentionné également, le fond global peut être dépensé ailleurs d'où le déplacement procentuel.

**M. Blenkarn:** N'êtes-vous pas vraiment en train de parler théorie lorsqu'en fait les problèmes sont inexistantes en ce qui concerne la transférabilité de l'assurance-santé, du moins il n'y a aucune difficulté importante. Je pourrais bien vous citer quelques exemples, mais ce sont des cas mineurs. Généralement parlant le programme fonctionne bien. Pourquoi alors s'en débarrasser et recommencer à neuf surtout qu'une autre solution pourrait ne pas fonctionner aussi bien. En particulier, lorsque vous parlez des différentes possibilités qu'auraient les provinces de refuser de participer, ne nous demandez-vous pas de nous lancer dans quelque chose qui pourrait être la source de nombreux problèmes?

**M. Matas:** Premièrement, nous ne proposons rien de neuf puisque l'expérience a déjà été tentée. Pour ce qui est du fonctionnement, je ne crois pas que nous devons nous en tenir uniquement à la question de la transférabilité.

**M. Blenkarn:** Parlons alors de l'accessibilité. Avez-vous des preuves que l'assurance-santé ne soit pas accessible outre le fait peut-être que nous devrions avoir davantage d'hôpitaux, de lits ainsi de suite.

**M. Matas:** Non, et je ne crois pas que le Barreau estime être spécialiste en matière de santé au niveau provincial, mais nous signalons que plusieurs provinces se sont retirées du programme ce qui a suscité un certain nombre de plaintes qui ont amené la Commission Hall à avancer certaines recommandations. Dans ma province même il y a eu beaucoup de plaintes au sujet de la qualité des services et au sujet du financement. D'aucuns estiment que les fonds manquent. Je dirais que le système est la source de nombreuses plaintes dont on vous a



## [Texte]

complaints, many of which you have heard in greater detail than we have, and I expect from the briefs you have heard submitted here that you can point to a number of problems that have arisen in the health care delivery system.

**Mr. Blenkarn:** I suspect, as you perhaps do as well, that when people who are running hospitals come to us they will probably ask for more money, and when people who are running social service programs come to us they will probably ask for more money. That does not surprise me, and it does not surprise me that universities and educators and so on do not come here to this committee and say, give us less. They always come and say, give us more. No matter to what level they were funded, I suspect that they might still say, give us more, because that is their field of endeavour and that is their expertise and that is the kind of thing they want to deliver to the citizens generally. But when you talk about opting out, to what extent across Canada, in terms of doctors opting out of the plan, has that lead to real levels where people are not able to see doctors and get service?

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**Mr. Matas:** In answer to that, as I said before, we are not talking about any particular level of spending and it may well be that this committee will come to the conclusion that all the established programs are working well and need no more funds. The point we are trying to make is this, that the federal government should not be giving money that, notionally, should be spent on health and education but need be spent, and in some cases is not spent, on these objects. We are proposing a constitutional principle rather than a funding level, and the constitutional principle we propose is that when the federal government gives money to the provincial governments for health it should be spent on health; when it gives money to the provincial governments for education it should be spent on education. The present situation does not allow for this, because it is a block funding system that allows the money to be spent absolutely anywhere.

**The Chairman:** It seems to me that we could deal with that problem without going back to cost sharing. I take it that your proposal number 3, support for tied funding, is really earmarking. You are saying that money furnished by the federal government that was intended at first to be for health should be spent in the health field. We could conceivably have that through the present agreement we have now, through the same concept of block funding but with the money earmarked. The difficulty with the alternative, cost sharing, is that cost sharing inevitably becomes very rigid and you need—as I think Mr. Blenkarn said—another level of bureaucracy to check what the other level has done. This is one of the reasons why everyone wanted to get away from that. But do you not believe we could have the advantages of block funding with earmarking, or tying?

**Mr. Matas:** Yes. I think it is important not to confuse terms. Block funding is diametrically opposed to earmarking or tying. The whole notion . . .

## [Traduction]

entretenu en de plus amples détails que nous avons pu le faire. Je suppose également que nombre de mémoires qui vous ont été présentés font état d'un certain nombre de problèmes relativement au régime d'assurance-santé.

**M. Blenkarn:** Je suppose, comme vous également, que les administrateurs d'hôpitaux vont sans doute nous demander davantage de fonds et que les directeurs de programmes de services sociaux en feront autant. C'est normal comme l'est le fait que les universités et les enseignants ne vont pas nous demander de réduire leur budget. On nous en demande toujours plus, peu importe les sommes que nous leur versons. Ça aussi c'est normal puisqu'ils défendent leurs intérêts et qu'ils sont spécialistes dans leurs domaines et que c'est ce qu'ils veulent donner à la population en général. Mais lorsque vous nous entretenez des possibilités de se retirer du Régime d'assurance-santé, dans quelle mesure au Canada, pour ce qui est du nombre de médecins qui refusent de participer au régime, la population a-t-elle souffert d'un manque de médecins et de services?

**M. Matas:** Comme je l'ai déjà dit, nous ne parlons pas d'un niveau de dépenses en particulier et il se pourrait bien que le comité en vienne à la conclusion que tous les programmes établis fonctionnent bien et qu'il n'est pas nécessaire d'accroître les budgets. Nous disons tout simplement que le gouvernement fédéral ne devrait pas donner de l'argent qui devrait être dépensé pour l'assurance-santé et l'éducation lorsque ce n'est pas nécessaire ou qu'on ne le dépense pas à ce titre. Nous recommandons l'adoption d'un principe constitutionnel plutôt qu'un niveau de financement. Ce principe constitutionnel est que lorsque le gouvernement fédéral donne de l'argent aux gouvernements provinciaux au titre des régimes de santé, cet argent devrait être dépensé à ce titre; lorsqu'il donne au titre de l'éducation il devrait être dépensé à ce titre. Le système actuel ne le permet pas étant donné que le système en vigueur est le financement global en vertu duquel l'argent peut-être dépensé à quelque titre que ce soit.

**Le président:** Il me semble que nous pourrions trouver une solution sans revenir aux programmes à frais partagés. J'en conclus d'après votre recommandation n° 3 au sujet du financement conditionnel, que vous êtes en faveur d'une affectation particulière des fonds. Vous dites que les fonds prévus par le fédéral pour l'assurance-santé devraient être dépensés dans ce domaine. Il serait possible de prévoir une clause à cet égard dans le système actuel de financement global. La difficulté que pose les programmes à frais partagés est qu'ils deviennent inévitablement très rigides et il faut alors, comme l'a dit M. Blenkarn je crois, d'autres fonctionnaires pour vérifier où les fonds ont été affectés. C'est une des raisons pour laquelle tous étaient en faveur d'une autre solution. Ne croyez-vous pas par contre qu'il serait possible de garder le financement global si l'argent était affecté à une fin particulière ou relié à certaines conditions?

**M. Matas:** D'accord. Il est important de ne pas confondre financement global et affectation particulière de fonds ou

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**The Chairman:** Not necessarily. You could block fund in some fields. You could say, we are giving you money in the health field and you decide if you are going to spend it on more hospitals, you decide if the colour of the hospital is going to be brown or yellow, you decide how many nurses you are going to have per bed, you decide how many community clinics you are going to have. You can still spend that money within the health field. Then say in relation to the post-secondary education field, or maybe others later on, you will have to spend that within those fields. In fact, you would have a system of fiscal envelopes within a block-funding program.

**Mr. Matas:** All right. I agree with that. But I do not know how much you are going to save on bookkeeping by it. You have still, at the end of the day, to get some assurance that that money has been spent in that way. There has been a problem, if I recollect correctly, with federal contributions to provincial governments that were to be spent on the French language or French language education, a problem in determining whether or not that money has been so spent. The federal government has been asking for accountings and it has not been receiving them to date. I think whether you call it tied funding, or earmarking, or block funding with earmarking, you have to make sure that the earmarking is specific enough that it is achieving a valid federal objective, and secondly you have to make sure that the accounting is detailed enough that you know that that money has been spent where you wanted it to be spent.

**The Chairman:** It would be relatively easier to earmark blocks than it would be to have a system of claims and cost sharing in the sense that we had them before. One of the difficulties now is that the agreement never provided for accountability under EPF, so of course people say there has been no accounting, but that is not to say that accountability is impossible. If in an agreement there were a system provided for accountability, I am sure the provincial governments—if they entered the agreement, maybe they would not—would live up to that.

**Mr. Matas:** Another problem I would point out with these envelopes, as you have referred to them, is that they have to be specific enough so that they do not simply allow for federal spending to replace provincial spending. Of course, it is all notional, but sometimes the provinces will say notionally that all the block funding is going into health, and you look at the statistics and for most years the total spending in the province is greater than the federal block fund—or at least the increase in the federal block fund is greater for most years, although not in every year. What is happening is that the notional provincial contribution has decreased . . .

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**The Chairman:** That is because the agreement did not provide for anything else. The agreement was clear. Everybody knew that what they were getting into was block funding, and

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établissement de certaines conditions, deux choses diamétralement opposées.

**Le président:** Pas nécessairement. Certains domaines pourraient faire l'objet de financement global. Nous pourrions dire par exemple qu'une certaine somme d'argent est réservée à l'assurance-santé et il reviendrait à la province de décider si cet argent doit servir à la construction d'hôpitaux, à embaucher davantage d'infirmières, à construire des cliniques communautaires. L'argent serait quand même dépensé dans le domaine de la santé. La même chose se produirait pour ce qui est de l'enseignement postsecondaire. En fait, nous aurions un système d'enveloppes fiscales à l'intérieur d'un programme de financement global.

**M. Matas:** J'en conviens. Reste à voir combien il sera possible d'économiser en frais de comptabilité. A la fin de la journée il faut quand même vérifier si l'argent a bel et bien été dépensé là où il devait l'être. Si je me souviens bien, les contributions que le fédéral versait aux provinces pour l'enseignement de la langue française a été une source de problèmes dans ce sens qu'on ne pouvait déterminer si oui ou non l'argent avait bien été dépensé à ce titre. Le gouvernement fédéral a bien demandé des comptes mais n'a encore rien reçu. Que vous appeliez ce type de financement conditionnel ou spécifique ou global, il faut s'assurer que le but est bien précisé, qu'on réalise un objectif fédéral valable, et deuxièmement que les comptes sont suffisamment détaillés. Il existe des moyens pour déterminer si les fonds ont bien été dépensés là où ils devaient l'être.

**Le président:** Il serait relativement plus facile de préciser l'affectation de sommes globales que d'adopter un système de réclamations et de programmes à frais partagés comme c'était le cas auparavant. Une des difficultés actuelles est que le programme de F.P.E. n'a jamais déterminé de responsabilités, ce qui ne veut pas dire qu'il est impossible de le faire. Si le système prévoyait une telle clause, je suis sûr que les gouvernements provinciaux, s'ils décidaient d'y participer, respecteraient l'entente.

**M. Matas:** J'aimerais également signaler un autre problème relativement aux enveloppes, comme vous dites. Il faut que l'affectation soit bien déterminée de telle sorte que les dépenses faites par le fédéral ne remplacent pas tout simplement celles que devraient faire la province. Évidemment ce n'est qu'une hypothèse, mais quelquefois les provinces diront hypothétiquement que tout le financement global est affecté à un programme de bien-être. Par contre lorsqu'on examine les statistiques il est presque infaillible que d'année en année le total des dépenses au niveau provincial soit supérieur au fonds global du fédéral ou au moins à l'augmentation du fonds global fédéral qui est supérieure. Naturellement il y a des exceptions et ça ne se produit pas tous les ans. Ce qui se produit c'est que la contribution hypothétique provinciale a diminué.

**Le président:** C'est parce que l'entente ne prévoit pas d'autres possibilités. L'entente était claire là-dessus. Toutes les provinces savaient à quoi s'attendre en optant pour le finance-



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they were just depending on provincial legislatures, or the goodwill of provincial leaders, to live up to conditions in federal laws. Everybody knew they were getting into that, nobody got fooled. But we could correct that to get accountability, a constitutional principle that I agree with. I share that with you, I think. I do not like, as a member of Parliament, to appropriate money that I am accountable for, and tax the public, which I am accountable for, when I cannot assure them that it is being spent in that field. The point I am making to you is that you could probably achieve that, meet that concern, without necessarily going into cost-sharing agreements. I will go on later about that.

**Mr. Matas:** The point I wanted to make is that you need more than accounting and an envelope. You have to be specific about how the funds are spent. There are two ways in which the provincial grant can be directed to the purpose for which it was intended to be directed to, one is by cost sharing and the other—and this is something mentioned in the brief—is by tying it so specifically to an expenditure that the province would not otherwise have incurred. But if you give an envelope that is broad enough to include expenditure on items that the province would otherwise have spent money on, this envelope may simply be used to replace provincial expenditure.

**The Chairman:** The difficulty between you and me—and I am being, I guess put in a position here of just about being the defender of the provinces, a role that I do not normally assume, I am more comfortable on the other side—the difference between you and me is that you can look at this in terms of any two parties getting into an agreement. The difficulty here is that it is one level of government elected by the people getting into an agreement with another level of government also elected by the people. If I were a provincial premier, given the contest of the last 10 or 15 years, I am not sure that I would accept going back to having too much specificity in areas in my field. I would say, I have had enough of that and I want flexibility. Frankly I think you are being a little too optimistic politically—not to say the word that my friend is saying, naive—in suggesting that provincial governments are just going to accept this and that it would be a better agreement. The difficulty we have is in trying to cover the real concern, which is accountability, while still respecting the constitutional propriety of the provinces and also the practical benefits of flexibility. I am not sure that I can make a judgment, as a member of Parliament, better than the provincial minister of health in my province as to how many doctors per bed you should have, how many nurses, how many acute beds you should have or not have. I think that very much depends on the kind of community you have.

**Mr. Matas:** If I may answer that, it may well be that provinces will not agree. First of all, I point out, we are not, as

[Traduction]

ment global. On faisait confiance aux législatures provinciales et à la bonne volonté des premiers ministres provinciaux pour ce qui est de respecter les conditions stipulées dans les lois fédérales. Personne n'a été dupe. Il serait cependant possible de corriger la situation pour ce qui est de la responsabilité. C'est un principe constitutionnel avec lequel je suis d'accord. Je partage votre opinion à ce sujet. En tant que député, je n'aime pas que l'on dépense de l'argent pour lequel je suis responsable et qu'on prélève des impôts sur le dos des contribuables à qui je dois rendre compte lorsque je ne puis leur garantir que les fonds serviront au financement de programmes de santé. Là où je veux en venir c'est qu'il est sans doute possible de réaliser votre objectif sans nécessairement revenir aux programmes à frais partagés. J'y reviendrai plus tard.

**M. Matas:** Ce que j'ai voulu dire c'est que ce n'est pas uniquement une question de comptabilité et d'enveloppes. Il faut préciser comment seront dépensés les fonds. On peut s'y prendre de deux façons pour garantir que les subventions versées aux provinces soient dépensées là où effectivement elles devraient l'être: des programmes à frais partagés et en stipulant précisément à quoi doit servir l'argent que la province n'aurait pas dépensé si ce n'eût été de la subvention. Ce dernier point est expliqué dans le mémoire. Si par contre la province reçoit une enveloppe dont les conditions sont suffisamment larges pour inclure des dépenses à l'égard d'articles pour lesquels la province aurait de toute façon engagé des fonds, l'enveloppe pourrait tout simplement déplacer la dépense provinciale.

**Le président:** Ce qui nous différencie nous deux et je suppose qu'en l'occurrence je me fais l'avocat des provinces, un rôle que je n'assume pas normalement étant beaucoup plus à l'aise de l'autre côté, c'est que vous pouvez examiner la question sous l'angle de deux parties qui concluent une entente. Or il s'agit d'un ordre de gouvernement élu par la population, qui conclue une entente avec un autre ordre de gouvernement également élu par la population. Si j'étais premier ministre provincial, compte tenu du contexte des dix ou quinze dernières années, je ne suis pas convaincu que j'accepterais de revenir à une situation où l'on n'impose des conditions trop particulières dans un domaine qui relève de ma compétence. Je répondrais que ça ne m'intéresse plus et que je veux davantage de souplesse. Franchement je crois que vous êtes un peu trop optimiste politiquement, pour ne pas dire ce que je viens d'entendre, naïf, en pensant que les gouvernements provinciaux vont tout simplement accepter cette proposition et que l'entente s'en trouverait améliorée. Le point qui soulève le plus d'inquiétude est la question de la responsabilité. Question qu'il nous faut aborder tout en respectant les droits constitutionnels des provinces. En tant que député, je ne suis pas sûr d'être mieux en mesure que le ministre de la Santé de ma province de me prononcer sur le nombre de médecins par lit que la province devrait avoir, le nombre d'infirmières, ou le nombre de lits que doit avoir la section de soins intensifs. Je crois que cela dépend énormément du genre de communauté dont il est question.

**M. Matas:** Il se pourrait fort bien que les provinces n'acceptent pas. Premièrement, je répète que nous ne proposons pas



[Text]

I mentioned before, suggesting a requirement of all 11 but a national consensus.

Secondly . . .

**The Chairman:** Sorry, what did you say?

**Mr. Matas:** I said we are not suggesting that there be the agreement of all 11 governments but only a national consensus, which may mean one large province or a couple of small provinces may not agree and we could still, at least according to the bar principles, embark on a cost-sharing program.

Secondly, we are proposing cost-sharing with the have-not provinces, so it would be only the have-not provinces that would have to agree with that, not all the provinces.

**The Chairman:** So, flexibility for the rich and no flexibility for the poor?

**Mr. Matas:** No, if there is cost sharing which the have-not provinces there would not be block funding for the rest of the provinces, they just would get nothing. It would just be the have-not provinces that would get something.

Thirdly, we are proposing tied funding, which could be either to the provincial governments or to individuals.

It is possible that every single one of all 11 governments will say we want a block, fund and nothing else and they would not agree, not any one of them, to cost sharing generally or to cost sharing in particular, they would not accept any ties on the tied funds. I do not know whether or not that in fact is the political situation, but if it is, I would suggest that the only alternative left is funding tied directly to institutions or individuals. However, if you are faced with a situation in which all eleven provinces, say, give us money; we do not want any restrictions on how it is to be spent, and we are responsible to our voters, then we would say, do that through equalization, but not through . . .

• 1210

**The Chairman:** Well, I am not suggesting that I would accept that right now. I have given you my concern. I think it is a concern that is shared by people I know on all sides of the House—I am not suggesting everyone in the House—about the fact that there is not enough accountability. My view is that that does not necessarily lead us to cost sharing, and the other problem of cost sharing and opting out. In fact one of the reasons that EPF mechanism, was found to be desirable, was found to be desirable, was precisely to get us away from the cost-shared opting out kind of system. There is a political judgment to be made there, and I do not really think there are too many people in Parliament that want to go back to the days where the cost sharing kinds of national programs were really pushed to the tilt, made so flexible, particularly because of the attitude of Quebec in the nineteen sixties. That may include more provinces now, that would opt out to the point where not only would you have a checkerboard kind of social

[Translation]

d'essayer d'obtenir l'accord des onze provinces mais un consensus national.

Deuxièmement . . .

**Le président:** Je m'excuse, qu'avez-vous dit?

**M. Matas:** Je dis que nous ne proposons pas d'essayer d'obtenir l'accord des onze gouvernements mais uniquement un consensus national. Ceci peut vouloir dire qu'une province importante ou deux petites provinces peuvent ne pas être d'accord et nous pourrions encore, du moins selon les principes énoncés par le Barreau, adopter un programme à frais partagés.

Deuxièmement, nous recommandons la participation à un programme à frais partagés avec les provinces pauvres de sorte que seules ces dernières auraient à signifier leur accord, non pas toutes les provinces.

**Le président:** En d'autres mots, la souplesse c'est pour les riches et non les pauvres?

**M. Matas:** Non. S'il existait un programme à frais partagés avec les provinces pauvres il n'y aurait pas de financement global pour le reste des provinces. Elles ne recevraient rien. Seules les provinces pauvres en bénéficieraient.

Troisièmement, nous recommandons le financement conditionnel, soit à l'égard des gouvernements provinciaux ou à l'égard des particuliers.

Il est possible que chacun des onze gouvernements optent pour le financement global ou rien et qu'aucun d'entre eux n'opte pour le programme à frais partagés en général ou en particulier ou que quelque condition soit rattachée au financement. Je ne sais pas si en fait c'est là où en est la situation politique, mais si c'est le cas à mon avis la seule solution qui nous reste est le financement conditionnel directement à l'égard des institutions ou des particuliers. Cependant, si nous sommes face à une situation où les onze provinces demandent l'argent et qu'elles refusent d'accepter quelque condition que ce soit pour ce qui est de la façon de le dépenser en disant qu'elles sont redevables aux électeurs alors nous dirions faites-le par le truchement des paiements de péréquation, mais non par . . .

**Le président:** Je ne dis pas que j'accepterais cette solution présentement. Je vous ai fait part de mes inquiétudes. Je crois qu'elles sont partagées par des membres des deux côtés de la Chambre. Naturellement on ne pense pas tous ainsi. Je parle ici de mes inquiétudes au sujet du manque de responsabilité. A mon avis cela ne nous mène pas nécessairement à des programmes à frais partagés. Notre problème à l'égard de tels programmes est la possibilité de ne pas participer. En fait, si le F.P.E. a été accepté c'est précisément parce qu'on s'éloignait des programmes à frais partagés. Il y a un jugement politique à faire et je ne crois pas vraiment qu'il y ait beaucoup de membres de la Chambre qui désirent retrouver les jours où les programmes à frais partagés étaient poussés au maximum, rendus si souples, en particulier à cause de l'attitude du Québec dans les années 60. Il y a sans doute d'autres provinces qui pensent comme le Québec aujourd'hui, d'autres provinces qui se retireraient au point où non seulement on se retrouverait

*[Texte]*

security system, but something even worse than that. One of the intents of EPF was to try to at least minimize that. You still have some of it, as you say, in the Canada Pension Plan, but at least now you have less special status in these programs than you had before 1977, and to me that is a political value not to be ignored.

**Mr. Matas:** I believe we have gone between two extremes. With cost sharing, the federal government was involved in tremendous detail in areas of provincial education and health. With block funding, it has gone to the other extreme: the federal government gives money for health and education, but it need not be spent on health and education, and it is not. If there were some middle ground so that the federal government could give money to the provinces for health and education and ensure that it would be spent on health and education, without cost sharing by all means but . . .

**The Chairman:** Well I think politically that has more chance to fly than going back to cost sharing. First of all, because provinces, I think, would not like cost sharing; secondly because I think an awful lot of federal politicians would resist cost sharing and opting out formulas in today's Canada, in the nineteen eighties, even more than they did in the nineteen sixties because of the experiences that we have had, particularly in the last few years. I think the idea of maintaining the block funding concept, but with ear-marking or tying, very generally, has more chances of flying than going back to that system.

**Mr. Matas:** But the question I would raise is whether that middle ground really exists, and I invite you to . . .

**The Chairman:** We just need good lawyers to write an agreement—and do not send it to the Supreme Court. I think we understand each other. Any other questions? Thank you very kindly, gentlemen, for your brief. It was certainly very valuable to us. I appreciate, and I say this on behalf of all members, the fact that you accepted our invitation and that you presented this brief.

This meeting is adjourned to 3.30 this afternoon in Room 371, West Block.

## AFTERNOON SITTING

• 1535

**The Vice-Chairman:** Ladies and gentlemen, we are commencing again this afternoon our hearings on our order of reference on the Canada Assistance Plan, the tax collection agreements equalization, Established Program Financing, and other fiscal arrangements. We have before us this afternoon the Canadian Health Coalition, Mr. Jim MacDonald as Chairman; Mrs. Margaret Vowles, Vice-Chairman of National Pensioners and Senior Citizens Federation; and Mr. Patrick Johnston, Director, Canadian Council on Social Development.

*[Traduction]*

devant une situation de balcanisation pour ce qui est du système de sécurité sociale, mais les choses pourraient être plus graves. Une des raisons d'être du F.P.E. était d'essayer de changer ce genre d'attitude. Elle existe toujours, comme vous dites, pour ce qui est du Régime de pensions du Canada, mais au moins maintenant il est moins question de statut spécial à l'égard de ces programmes comme c'était le cas avant 1977. A mon avis c'est un aspect politique dont il faut tenir compte.

**M. Matas:** Je crois que nous avons été d'un extrême à l'autre. Avec les programmes à frais partagés, le gouvernement fédéral participait à fond de train dans les domaines provinciaux de bien-être et d'éducation. Avec le financement global nous en sommes à l'autre extrême: le gouvernement fédéral donne de l'argent pour les programmes de bien-être et d'éducation, mais les provinces ne sont pas tenues de le dépenser pour ces programmes, et il ne l'est pas. S'il y avait un juste milieu de telle sorte que le gouvernement fédéral pourrait donner de l'argent aux provinces pour leur programme de bien-être et d'éducation et s'assurer qu'il était effectivement dépensé à l'égard de ces programmes, sans le recours aux programmes à frais partagés, j'en conviens . . .

**Le président:** Politiquement, je crois que cette solution a plus de chance d'être acceptée que le retour aux programmes à frais partagés. Premièrement, parce que les provinces, je crois, ne sont pas en faveur de ces programmes; deuxièmement, parce que énormément de députés fédéraux s'opposeraient aux programmes à frais partagés et aux formules de non participation actuellement, dans les années 1980, beaucoup plus que dans les années 60 à cause des expériences vécues, particulièrement au cours des quelques dernières années. Je crois que l'idée de maintenir le financement global, avec certaines conditions, règle générale, a plus de chances d'obtenir la faveur de tout le monde.

**M. Matas:** Je me demande si vraiment ce juste milieu existe, et je vous invite à . . .

**Le président:** Tout ce qu'il nous faut c'est de bons avocats pour rédiger une entente, et ne pas l'envoyer à la Cour suprême. Je crois que nous sommes sur la même longueur d'ondes. Y a-t-il d'autres questions? Merci beaucoup messieurs pour votre mémoire. Il nous sera certainement très utile. Au nom de tous les membres, je vous remercie d'avoir accepté notre invitation et de nous avoir présenté votre mémoire.

La séance est levée jusqu'à 15 h 30 cet après-midi, pièce 311, édifice de l'Ouest.

## SÉANCE DE L'APRÈS-MIDI

**Le vice-président:** Mesdames et messieurs nous poursuivons cet après-midi les audiences du comité chargé d'étudier le régime d'assurance publique du Canada, les accords en matière de perception d'impôt, la péréquation, les arrangements fiscaux, le financement des programmes établis et d'autres régimes ou programmes. Nous entendrons cet après-midi les témoignages de M. Jim MacDonald, président du mouvement pour la santé des Canadiens, de M<sup>me</sup> Margaret Vowles, vice-présidente de la Fédération nationale des retraités et des



[Text]

Perhaps, Mr. MacDonald, you could introduce people, so we can all be familiar with who it is we are talking to. You have a brief here. Are you going to read it in full, or do you want us to append it to the minutes and you could make certain comments on it and then we could ask you questions about it? What would be your preference?

**Mr. Jim MacDonald (Chairman, Canadian Health Coalition):** I will take a couple of minutes to describe the coalition and introduce the members, and my colleague Patrick Johnston, the director of the coalition, will present our brief and read it.

**The Vice-Chairman:** In full?

**Mr. J. MacDonald:** Largely, yes.

**The Vice-Chairman:** All right, then would you introduce your members, Mr. MacDonald.

**Mr. J. MacDonald:** The other members—are they coming?

**The Vice-Chairman:** Well, what happens is sometimes we sit without all our members here. The Chairman has advised me that he will not be here until 4.00 o'clock or 4.15, and I believe Mr. Blaikie is out of town at this point.

• 1540

**Mr. J. MacDonald:** Well, we are taking this opportunity to make our concerns known to you, and I was going to say, to your colleagues but to yourself, anyhow.

**The Vice-Chairman:** I have two of my colleagues here, Mr. Thacker and Mr. Loiselle so this side, the right side, is well represented.

**Mr. J. MacDonald:** That is what we feared. Well, we are here to make our concerns known to you regarding what we consider to be a further threat to medicare implied in the federal government's declared intention to reduce expenditures on social programs.

The Canadian Health Coalition is a rather unique organization. It is composed of approximately 40 widespread and diverse organizations. They are listed on the last page of our submission and they also include counterpart coalitions in most of the provinces made up of the same kinds of counterpart organizations that comprise the national coalition. Collectively, the organizations that make up the coalition in their own memberships total well over a majority of the Canadian people and despite the diversity of the organizations we have agreed to come together to make common cause: to save medicare and to try to effect greatly needed improvements to the health care system, and we are very determined in that regard.

We have grave misgivings, however, that any group of people, including your task force, and no disrespect meant, can do justice to the mandate you were given. With all of its complexities, the unrealistic time span that is available to you in travelling the whole country and receiving briefs and digest-

[Translation]

personnes âgées, et de M. Patrick Johnston, directeur du Conseil canadien de développement social.

M. MacDonald je vous demanderais de nous présenter les personnes qui vous accompagnent afin que nous sachions à qui nous nous adressons. Vous nous avez présenté un mémoire. Avez-vous l'intention de le lire au complet ou désirez-vous que nous l'ajoutions au procès-verbal. Dans ce cas vous pourriez nous entretenir quelques minutes au sujet du mémoire après quoi nous vous poserions des questions. Que préférez-vous?

**M. Jim MacDonald (président du mouvement pour la santé des Canadiens):** Je ne prendrai que quelques minutes pour décrire en quoi consiste le mouvement et vous présenter les membres. Mon collègue, M. Patrick Johnston, directeur, fera la lecture du mémoire.

**Le vice-président:** Au complet?

**M. J. MacDonald:** Presque.

**Le vice-président:** D'accord. Pourriez-vous présenter les membres du mouvement M. MacDonald.

**M. J. MacDonald:** Devons-nous attendre d'autres membres?

**Le vice-président:** Il nous arrive de siéger sans que tous les membres soient présents. Le président m'a prévenu qu'il ne pourrait être ici avant 16 heures ou 16 h 15. Je crois également que M. Blaikie est à l'extérieur de la ville.

**M. J. MacDonald:** Nous désirons profiter de l'occasion qui nous est offerte de faire part de nos inquiétudes aux membres du comité.

**Le vice-président:** Deux de mes collègues m'accompagnent, M. Thacker et M. Loiselle à ma droite, côté qui est bien représenté.

**M. J. MacDonald:** C'est ce que nous craignons. Notre objet en nous présentant devant vous est de vous faire part de nos inquiétudes au sujet de l'intention avouée du gouvernement fédéral de réduire les dépenses pour les programmes sociaux.

Le Mouvement pour la santé des Canadiens est une organisation plutôt unique. Elle est constituée d'une quarantaine d'organismes divers. Ils sont énumérés à la dernière page du mémoire. Des mouvements parallèles existent dans la plupart des provinces et figurent également. Ils sont constitués du même type d'organismes qui constituent le mouvement national. Collectivement, les organismes qui forment le mouvement regroupent plus que la majorité des Canadiens. Malgré la diversité nous sommes convenus de faire front commun dans une tentative d'empêcher l'abolition du régime de soins médicaux et d'essayer de provoquer des changements urgents qui devraient être apportés au système de distribution de soins de santé, et c'est notre ferme intention de le faire.

Nous craignons fort cependant que quiconque, y compris votre comité, sauf votre respect, puisse rendre justice au mandat dont vous devez vous acquitter. Compte tenu de toutes les complexités, des distances inouïes que vous devez parcourir et de la quantité des mémoires qu'il vous faut analyser et



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ing and analyzing them and developing a report and recommendations and having it in for June 26, seems to us to be totally unrealistic.

**The Vice-Chairman:** Mr. MacDonald, certainly some of us think it is unrealistic to have a report by June 26 and we hope to get an extension of our term, but we expect to finish public hearings insofar as possible somewhere around June 9 or 10. However, you can appreciate that we may have a great number of other hearings and other evidence presented to us even after that date and we also have a great deal of work to do in trying to sort out what we will have heard in order to write a reasonable report.

**Mr. J. MacDonald:** Well, a lot of our member organizations will and intend to, although some will not be able to alter their priorities on such short notice, put in briefs. Anyway, we have made our views known to the commission with a letter and to the Finance minister. Nevertheless, we have come to present our submission to you here today and to discuss it with you. It was prepared by Patrick Johnston, my colleague, who is a director of the coalition and he is the health program director of the Canadian Council on Social Development. He will present it following my introduction of those of our members who were able to make it here today. We have here today Margaret Vowles representing the National Pensioners and Senior Citizens Federation, which is the preeminent seniors organization in the country. Next to Margaret is Patrick Jamieson representing the Catholic Health Association. To my extreme left is Émile Vallée, who is the representative in Ottawa for the United Steelworkers, one of the largest affiliated groups in our congress, and Steven Jelly, Research Director of Consumers' Association of Canada. Other members of other organizations represented on our executive but not able to be here today include the Executive Director of the Canadian Teachers' Federation, Dr. Greg Blaney from the Medical Reform Group; Cathy Bruyère, who is the Health Director of the National Indian Brotherhood; Jim Milne, the Director of the Crop Union of Canada; Randy Sykes from Canadian Union of Public Employees, and Bob Clarke, a director at large. These are representative members of our organization who are represented on our executive.

**The Vice-Chairman:** We did hear from CUPE and we have heard from the National Indian Brotherhood in separate briefs.

**Mr. J. MacDonald:** Good. Well now, then, with your permission, Mr. Chairman, I will turn the floor over to my colleague, Pat Johnston, who will present our brief.

• 1545

**Mr. Patrick Johnston (Director, Canadian Council on Social Development):** Thank you, Jim.

Mr. Chairman, members of the task force, it is our understanding that the task force has been asked to examine programs authorized by the Federal-Provincial Fiscal Arrange-

[Traduction]

digérer afin de produire un rapport et soumettre vous recommandations d'ici le 26 juin, il semble tout à fait irréaliste.

**Le vice-président:** M. MacDonald d'aucuns estiment que c'est effectivement irréaliste de penser pouvoir remettre notre rapport au plus tard le 26 juin et nous espérons obtenir une prolongation de notre mandat. Nous nous attendons cependant à terminer les audiences publiques aux environs du 9 ou 10 juin. Vous comprenez sans doute que nous devons participer à beaucoup d'autres audiences et recevoir d'autres témoignages même après cette date et que nous avons énormément de travail à faire pour ce qui est de trier tous les témoignages si nous voulons présenter un bon rapport.

**M. J. MacDonald:** Bon nombre de nos organismes ont l'intention de modifier leurs priorités bien que ce soit impossible pour certains à si bref délai. Quoi qu'il en soit, nous avons fait part de notre point de vue à la Commission en lui faisant parvenir une lettre, et au ministre des Finances. Néanmoins, si nous sommes ici aujourd'hui c'est pour discuter du mémoire que nous vous avons présenté. Il a été préparé par Patrick Johnston, un collègue, qui est un des directeurs du mouvement et responsable du programme du santé du Conseil canadien de développement social. Il en fera la présentation lorsque j'aurai terminé de vous présenter les membres qui sont ici aujourd'hui. D'abord M<sup>me</sup> Margaret Vowles, représentants de la Fédération nationale des retraités et des personnes âgées, la plus importante organisation de ce genre au pays. À côté de Margaret se trouve M. Patrick Jamieson représentant de l'Association catholique canadienne de la santé. À mon extrême gauche se trouve M. Émile Vallée, représentant des Métallurgistes unis d'Amérique, un des plus importants organismes du mouvement, et Steven Jelly, directeur de la recherche de l'Association des consommateurs du Canada. D'autres membres d'autres organismes sont représentés au sein du conseil d'administration, mais ces personnes n'ont pu venir. Parmi elles se trouve le directeur administratif de la Fédération canadienne des enseignants, le docteur Greg Blaney du groupe de réforme médicale, Cathy Bruyère, directrice du programme de la santé de la Fraternité des Indiens du Canada, Jim Milne, directeur de la Crop Union of Canada, Randy Sykes du Syndicat canadien de la Fonction publique, et Bob Clarke, directeur de l'extérieur. Les personnes que je viens de nommer sont des membres représentant notre organisme et ils siègent au sein du comité d'administration.

**Le vice-président:** Le Syndicat canadien de la Fonction publique et la Fraternité des Indiens du Canada nous ont présenté leur mémoire.

**M. J. MacDonald:** Si vous le permettez Monsieur le président, je vais laisser la parole à mon collègue, M. Pat Johnston, qui fera la présentation du mémoire.

**M. Patrick Johnston (directeur du Conseil canadien de développement social):** Merci Jim.

Monsieur le président, membres du comité, sauf erreur le mandat du comité est d'étudier les programmes autorisés en vertu de la Loi sur les accords fiscaux entre le gouvernement

*[Text]*

ments and Established Programs Acts and to make its views known to the federal government. It is also our understanding that this is intended to allow Parliament to have some input into the federal-provincial discussions to renegotiate the terms of the act prior to its expiry in 1982.

The mandate of this task force is broad and complex and we do not propose to deal with all of the issues under investigation. We will leave aside the topics of fiscal equalization, tax collection agreements and the Canada Assistance Plan. You will, undoubtedly, receive representations from other organizations which are better equipped to address these important issues. Instead, our submission will deal with established programs financing and will focus, in particular, on one of those so-called established programs, medicare. In his submission to you, the Minister of Finance, the Hon. Allan MacEachen, stated that, and I quote:

... whenever Parliament amends the legislative basis of the federal-provincial fiscal arrangements... it alters a fundamental structure of our political and economic union.

We agree, but suggest that the ramifications are even greater. Such amendments do not only alter the political and economic relationship between different levels of government; they also affect the political, economic and social relationships between individual Canadians.

In short, the coalition believes that changes in federal-provincial fiscal arrangements help to shape the very nature of Canadian society. And for this reason, we strongly reject one of the premises on which the work of this task force is based. We do not accept that a reduction in spending by the federal government for social programs is necessary or inevitable. As you know, substantial savings in the social affairs envelope were projected in the federal budget of October 28, 1980. It appears that members of the task force are concerned primarily with where the cuts should be made. We urge you instead to first ask whether such reductions are even desirable.

While the coalition is opposed to any reduction in expenditures by the federal government on social programs, we are, of course, particularly interested in one program. Our obvious concern about medicare has been amplified because of suggestions that it may be one of the programs targeted for a reduction.

It has been almost 20 years since the Royal Commission on Health Services was established under the chairmanship of Justice Emmett Hall. The report of the commission stated that, and I quote:

... the achievement of the highest possible health standards for all our people must become a primary objective of national policy.

It recommended that such an objective could best be achieved by the development of a comprehensive, universal health services program. By working to that end, the coalition believes

*[Translation]*

fédéral et les provinces et sur le financement des programmes établis pour soumettre son rapport au gouvernement fédéral. Nous croyons comprendre également que le rapport permettra aux parlementaires de se préparer en vue des discussions fédérales-provinciales de renégociation de la Loi avant son expiration en 1982.

Le mandat du comité est vaste et complexe et nous n'avons nullement l'intention de toucher à toutes les questions à l'étude. Nous laisserons de côté la péréquation, les accords de perception d'impôts et le régime d'assurance publique du Canada. Nous laisserons ces questions à d'autres organismes plus en mesure que nous de les aborder. Nous nous en tenons dans notre mémoire au financement des programmes établis, en particulier, les soins médicaux. Dans le mémoire qu'il vous a présenté, le ministre des Finances, M. Allan MacEachen a déclaré:

... toutes les fois que le législateur modifie les lois à la base des arrangements fiscaux fédéral-provincial... il modifie une structure fondamentale de notre union économique et politique.

Nous en convenons et nous croyons que les ramifications sont plus importantes encore. Non seulement de telles modifications changent le rapport économique et politique qui existe entre les différents ordres de gouvernement, il influe sur les rapports politiques, économiques et sociaux des Canadiens.

En bref, le mouvement estime que les changements qui sont apportés aux arrangements fiscaux fédéral-provincial participent à la formation de la nature même de la société canadienne. Et c'est la raison pour laquelle nous rejetons fortement une des hypothèses à la base du mandat du comité. Nous n'acceptons pas qu'une réduction des dépenses du gouvernement fédéral au titre des programmes sociaux soit nécessaire ou inévitable. Comme vous n'êtes pas sans le savoir, le budget fédéral du 28 octobre 1980 faisait état d'économies substantielles qui allaient être réalisées au niveau de l'enveloppe des affaires sociales. Il semble que les membres du comité ne s'inquiètent surtout que de déterminer où les coupures doivent être faites. Nous vous recommandons vivement plutôt de vous demander si les réductions sont même souhaitables.

Même si le mouvement s'oppose à toute réduction au niveau des dépenses du gouvernement fédéral au titre des programmes sociaux, il s'intéresse, il va sans dire, particulièrement à un programme, celui des soins médicaux, pour la simple raison qu'on nous a donné à entendre que ce serait un des programmes qui ferait l'objet de coupures.

Il y aura bientôt vingt ans que la Commission royale sur les services de santé a été créée, Commission dirigée par le Juge Emmett Hall. Le rapport de la Commission dit que:

... parvenir à créer le meilleur service de santé possible pour la population doit devenir le premier objectif d'une politique nationale.

Le rapport recommande que pour réaliser pleinement cet objectif, il faut établir un programme de service de santé universel et complet. C'est en essayant de réaliser un tel



*[Texte]*

that Canada has established one of the best health care systems in the world.

The Royal Commission's report argued that one of the key elements of a universal health services program was a national medical care insurance program or medicare. By 1972, all the provinces and territories participated in such a plan.

In his recent review of the health care system in Canada, Canada's National-Provincial Health Program for the 1980's, Justice Hall provided us with a simple but eloquent reminder of the reasons that Canadians supported the concept of medicare in the first place. Almost all Canadians were agreed, Hall argued:

that the trauma of illness, the pain of surgery, the slow decline to death, are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability. The Canadian people determined that they should band together to pay medical bills and hospital bills when they were well and income earning. Health services were no longer items to be bought off the shelf and paid for at the check out stand. Nor was their price to be bargained for at the time they were sought. They were a fundamental need like education, which Canadians could meet collectively and pay through taxes.

The coalition agrees with Justice Hall that Canadians still believe strongly in medicare. In fact, following an extensive round of public hearings during the health service review of 1979, Hall said that he had not encountered a single individual or organization not in favour of medicare.

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The evolution of medicare and the national health system was an example of Canadian federalism at its best, and it entailed co-operation and compromise on the part of both the federal government and the provincial governments. Although the role of the federal government was not simply restricted to funding, its financial support was essential to the development of medicare. It seems obvious to us the federal government, as one of its chief architects, has a clear and unstinting obligation to continue its financial support of medicare.

The Canadian Health Coalition was not only alarmed but amazed, therefore, to hear that the federal government was even considering a reduction in its spending on health services. Canada's system of health care is an equitable, high-quality program, from which all Canadians benefit and which all want to see continued. As a result, we adamantly oppose any suggestion of a reduction in federal expenditures on health. Such reductions not only pose a serious threat to medicare but

*[Traduction]*

programme, de l'avis du mouvement, que le Canada est parvenu à créer le meilleur système de distribution de soins au monde.

Le rapport de la Commission royale soutient qu'un des éléments clé d'un programme universel de services de santé était l'établissement d'un régime national d'assurance pour les soins médicaux ou un régime d'assurance-santé. Dès 1972, toutes les provinces et les deux territoires participaient à un tel régime.

Dernièrement, dans le cadre d'une étude sur le système de distribution des soins de santé au Canada, «le programme de santé nationale et provinciale du Canada pour les années 1980» le juge Hall nous a rappelé simplement, mais sans équivoque, une des raisons pourquoi les Canadiens étaient en faveur du principe du régime d'assurance-santé. Selon lui, la plupart des Canadiens convenaient:

que le traumatisme de la maladie, la douleur de la chirurgie, le long déclin vers la mort, pèse suffisamment sur l'être humain sans lui ajouter le fardeau des frais d'hospitalisation ou médicaux, pénalisant ainsi le patient au moment où il est le plus vulnérable. Les Canadiens ont décidé de se regrouper pour payer les frais médicaux et les frais d'hôpitaux lorsqu'ils sont bien portants et qu'ils touchent des revenus. Les services de santé n'étaient plus un article que l'on achète sur les rayons et que l'on paye à la sortie. Leur prix également a cessé de faire l'objet de négociation au moment où on les dispensait. Ils étaient considérés comme un besoin fondamental au même titre que l'éducation, service que les Canadiens pouvaient se permettre en tant que collectivité et qu'ils pouvaient payer par le truchement de leurs impôts.

Le mouvement fait sienne la conclusion du juge Hall que les Canadiens sont défenseurs du régime d'assurance-santé. En fait, à l'issue d'une tournée d'audiences publiques tenues dans le cadre de l'examen des services de santé en 1979, le juge Hall a déclaré qu'il n'avait rencontré aucun particulier ni organisation qui n'était en faveur du régime d'assurance-santé.

L'évolution du régime et du système national de distribution des soins de santé était un exemple du fédéralisme canadien à son meilleur, et il supposait la collaboration et des compromis de la part des deux ordres de gouvernement, fédéral et provincial. Bien que le rôle du gouvernement fédéral n'est pas été uniquement de fournir des fonds, son appui financier était essentiel à l'essor des régimes d'assurance-santé. Il nous semble aller de soi que le gouvernement fédéral, en tant qu'un des maîtres d'œuvre, ait l'obligation claire et nette de continuer de les appuyer financièrement.

Le Mouvement pour la santé des Canadiens a été plus qu'allarmé, par conséquent, d'apprendre que le gouvernement fédéral songeait même à réduire les dépenses en matière de services de santé. Le système de distribution des soins de santé au Canada est un programme juste et de première qualité, profitant à tous les Canadiens qui, tous, désirent le voir continuer. En conséquence, nous sommes vertement opposés à toutes recommandations de réduction des dépenses fédérales



*[Text]*

would undermine the whole concept of a national health care system. Not only do we oppose any cuts, the coalition would argue strongly for an increase in spending on health by both levels of government, federal and provincial. We agree with the Canadian Medical Association that the health care system as a whole is under-funded, and we note that Canada spends less of its gross national product on health care than virtually all other countries in the western world.

While our system is a good one, serious problems are beginning to emerge. We have real concerns about the health conditions of aboriginal people. We are concerned about the level and quality of health care provided in remote areas of Canada. And we have reservations about the slow development of health services in some provinces, the four Atlantic provinces in particular. We suggest that these shortcomings in the health system reflect an inadequate level of funding.

The role of the federal government extends beyond the provision of financial support, however. It has a clear responsibility to maintain and protect national health standards and the principles on which medicare are based. We believe the federal government has lost much of its capacity of fulfil that role. As an example, we point to the practice of extra-billing. As Justice Hall concluded after the 1979 review, extra-billing does restrict access to health services of low-income Canadians. That is clearly a violation of the medicare principle of accessibility, which requires that all insurable residents of a province have reasonable access to all insured services. We are also concerned about the imposition of premiums in some provinces. There is evidence to suggest that premiums may be violating the principle of universal coverage.

The Minister of Finance in his submission to this task force implied that the switch from cost sharing of health services to block funding via Established Programs Financing has not impeded the federal government's ability to maintain health care standards. We believe the practice of extra-billing, which has developed since block funding, is evidence to the contrary. It is true that in theory federal transfers for health are conditional upon the provincial governments' compliance with the terms of the Hospital Insurance and Diagnostic Services Act and the Medical Care Act. In practice, however, the only method of enforcement available to the federal government is to withhold monthly transfers to the provinces. Such a move could seriously disrupt health services. We find little consolation in the current arrangement when the only recourse available to the federal government to protect the national health care system is a measure which could ultimately destroy it.

*[Translation]*

dans ce domaine. Non seulement de telles réductions constituent une grave menace pour les régimes d'assurance-santé, mais elles mineraient tout le concept d'un système national de distribution des soins de santé. Non seulement le mouvement s'oppose à toutes coupures, mais nous croyons fortement que les deux ordres de gouvernement devraient accroître leurs dépenses à cet égard. Nous sommes d'accord avec l'Association médicale canadienne que le système de distribution des soins de santé dans son ensemble est sous-financé. Les dépenses du Canada en matière de soins de santé sont inférieures à son produit national brut, situation presque unique dans le monde occidental.

Nous avons un bon système, mais de graves problèmes commencent à faire surface. Nous nous inquiétons vraiment au sujet des conditions sanitaires des autochtones, au sujet du degré et de la qualité des services qui sont offerts pour les régions éloignées du Canada. Nous avons également des réserves au sujet de la lenteur de l'introduction des services de santé dans certaines provinces, les quatre provinces de l'Atlantique en particulier. D'après nous, ces lacunes sont dues à un manque de financement.

Le rôle du gouvernement fédéral est plus que celui d'un pourvoyeur de fonds, cependant. Il a la responsabilité nette de maintenir et de garantir la qualité nationale des services de santé et les principes fondamentaux des régimes d'assurance-santé. Nous croyons que sa capacité à remplir ce rôle a été énormément amoindrie. Mentionnons par exemple la surfacturation. Comme l'a dit le juge Hall dans la conclusion de son rapport de l'examen de 1979, les Canadiens à faible revenu n'ont pas si facilement accès aux services de santé à cause de cette surfacturation. C'est une violation flagrante du principe d'accessibilité des régimes d'assurance-santé, qui stipule que tous les résidents assurables d'une province doivent avoir raisonnablement accès à tous les services assurés. Nous éprouvons également certaines inquiétudes au sujet du prélèvement de primes dans certaines provinces. Il est possible de démontrer que ce prélèvement de primes pourrait constituer une violation du principe de protection universelle.

Le ministre des Finances, dans le mémoire qu'il a présenté au comité, a donné à entendre que le transfert des programmes des services de santé à frais partagés en faveur du financement global par le truchement du financement des programmes établis n'a pas empêché le gouvernement fédéral de maintenir la qualité des services de santé. Nous croyons que la surfacturation, qui n'existe que depuis le financement global, est preuve du contraire. Il est vrai qu'en théorie les transferts du fédéral dans le domaine de la santé se font à la condition que les gouvernements provinciaux se conforment à la Loi sur l'assurance-hospitalisation et les services diagnostiques et à la Loi sur les soins médicaux. En pratique cependant, le seul moyen dont dispose le gouvernement fédéral pour appliquer cette loi est de retenir les transferts mensuels qu'il effectue aux provinces. De telles mesures pourraient cependant porter gravement atteinte aux services de santé. Nous trouvons peu encourageant le fait qu'en vertu des arrangements actuels le seul recours du gouvernement fédéral pour protéger le système

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The Health Coalition believes a better instrument is needed to ensure that the money the federal government transfers to provinces for health is used to further the goal of a universal, comprehensive health services program and to maintain national health care standards and principles. We suggest that serious consideration be given to establishing a new program of conditional cost sharing similar in nature to arrangements in place prior to block funding. Such a step should be of particular interest to the federal government, which, as the Minister of Finance indicated in this submission, is concerned about its ability to account for the dollars it allocates for health programs.

As an additional measure to protect national health care standards and principles, we also recommend that both levels of government consider establishing and supporting a national council of health. The council should consist of knowledgeable consumers of health services, health care providers, and government representatives. It could function to establish national health standards, to monitor the adherence to these standards by provincial programs, and to guide the development of long-range health policy planning, for example. The idea for such a body has been advocated many times since a similar organization was proposed in the 1964 report of the Royal Commission on Health Services. We believe that it now merits serious consideration.

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Regardless of how much money is made available, many health care problems will remain unless we begin to redefine our notion of health. The greatest problem confronting the federal and provincial governments is not where to find the additional funds that are required, rather it is how to redirect and reallocate new and existing health care dollars. A number of astute observations have been made about the irony that pervades our existing health care system. For every dollar we devote to the promotion of health, many more dollars are allocated to the treatment of illness, the by-product of poor health. The term "health care system" is essentially a misnomer; what we actually have is a system of illness care. An additional irony is that we have an understanding of the causes of illness and poor health that is vastly superior to that of our ancestors. In many cases we also know how to prevent illness. Unfortunately, what we refer to as the health care system is still fixated on and channels the majority of its resources to the treatment of illness and poor health rather than to its prevention.

This observation has been made by the federal government itself in a working document entitled "A New Perspective on the Health of Canadians" which was published by the Department of National Health and Welfare in 1974. The preface to

[Traduction]

national de distribution des soins de santé soit une mesure qui pourrait éventuellement le détruire.

Le Mouvement pour la santé des Canadiens estime qu'il faut trouver un meilleur outil pour garantir que l'argent du gouvernement fédéral transféré aux provinces à des fins de soins médicaux serve à nous approcher du but de réaliser un programme de services de santé universel et complet et à maintenir la qualité et les principes nationaux à l'égard des soins médicaux. Nous recommandons qu'on prenne sérieusement en considération la possibilité d'établir un nouveau programme conditionnel à frais partagés analogue à ce qui existait avant le financement global. Une décision dans ce sens serait d'un intérêt particulier pour le gouvernement fédéral qui, comme le ministre des Finances l'a souligné dans son mémoire, se soucie de sa capacité à tenir une comptabilité des sommes qu'il distribue au titre des programmes de santé.

Comme mesures additionnelles pour garantir la qualité et les principes nationaux en matière de soins de santé, nous recommandons également que les deux ordres de gouvernement étudient la possibilité de créer et de parrainer un conseil national de la santé. Cet organisme serait composé de consommateurs avisés en matière de services de santé, de pourvoyeurs de soins médicaux et de fonctionnaires. Son mandat pourrait être celui d'établir une norme nationale en matière de santé, de s'assurer que les programmes provinciaux s'y conforment et d'orienter le développement de la planification à long terme d'une politique de santé, par exemple. Ce n'est pas la première fois que l'on mentionne cette possibilité depuis qu'elle a d'abord été proposé en 1964 par la Commission royale sur les services de santé. Nous croyons que le moment est venu d'étudier attentivement cette possibilité.

Peu importe la quantité d'argent mis à la disposition des provinces, il restera toujours de nombreux problèmes de santé à régler, à moins que nous redéfinissions notre conception de santé. Le plus important problème avec lequel sont aux prises les gouvernements fédéral et provinciaux est non pas celui de trouver les fonds additionnels qui sont requis, mais plutôt celui de redistribuer les fonds déjà prévus et ceux à venir. Un certain nombre d'observations astucieuses ont été faites au sujet de l'ironie qui envahit notre système actuel de distribution des soins de santé. Pour chaque dollar que nous consacrons à la promotion de la santé, de nombreux autres dollars doivent être dépensés pour le traitement de maladies, le sous-produit d'une mauvaise santé. L'expression «système de distribution des soins de santé» est inappropriée puisque ce que nous avons en réalité c'est un système de soins de maladie. Une autre ironie est que nos connaissances des causes de maladies et d'une mauvaise santé sont de beaucoup supérieures à celles de nos ancêtres. Dans de nombreux cas nous savons également comment prévenir la maladie. Malheureusement, ce que nous appelons notre système de distribution de soins de santé utilise la plupart des ressources dont nous disposons pour le traitement de la maladie et de la mauvaise santé plutôt que la prévention.

Le gouvernement fédéral lui-même a fait l'observation dans un document de travail intitulé «Nouvelles perspectives de la santé des Canadiens» publié par le ministère national de la Santé et du Bien-être social en 1974. Nous retrouvons dans la



## [Text]

that book succinctly described the major health problem with which we are now faced, and I quote:

At the same time as improvements have been made in health care . . . ominous counter-forces have been at work to undo progress in raising the health status of Canadians. These counter forces constitute the darker side of economic progress. They include environmental pollution, city living, habits of indolence, the abuse of alcohol, tobacco and drugs and eating patterns which put the pleasing of the senses above the needs of the human body.

That preface, incidentally, was written by Marc Lalonde, Minister of National Health and Welfare at the time.

While the need to reorient our spending on health has been recognized for some time, progress towards that end has been slow. Programs like ParticipAction are a step in the right direction but much more needs to be done. The up-coming negotiations with respect to established programs financing provides an opportunity to place more of the theory into practice. We hope, while developing new arrangements for the joint sharing of health programs, that federal and provincial governments may have the vision to foster a redirection of health care dollars to programs of prevention and health promotion.

The coalition's brief has so far concentrated primarily on the social implications of potential changes in federal-provincial cost-sharing arrangements. We have done so intentionally. Much of the debate has been centred on the effect on relations between the federal and provincial governments. We believe that it is equally important to consider the potential effect on the lives of individual Canadians. We do recognize, however, that there are some thorny and potentially divisive political and economic issues which must be considered prior to and during discussions between the two levels of government.

We have several brief comments we would like to make in this regard. One of the underlying concerns of the federal government relates to the fiscal balance between it and the provincial governments. This was stated very clearly by the Minister of Finance in his submission to you. An increase in the fiscal strength of the provinces relative to the federal government was equated with economic Balkanization in continuing decentralization. As a means of correcting the imbalance, the minister has advocated a reduction in federal transfers to provinces for cost-share programs. We find that suggestion to be puzzling; it seems to us that reduced federal spending on cost-shared programs might simply serve to increase the amount spent by some provinces on those programs and, therefore, the aggregate of provincial expenditures. That would exacerbate rather than alleviate the existing imbalance.

Not only might the provinces as a whole increase their spending on social programs, they would do so disproportionately, and this concerns us perhaps most of all. The result

## [Translation]

préface une description succincte du principal problème avec lequel nous sommes actuellement aux prises:

Parallèlement aux améliorations apportées sur le plan des soins médicaux . . . de puissantes forces adverses sont venues freiner les efforts visant à hausser le niveau de santé des Canadiens. Parmi ces forces adverses qui en somme ne sont que la rançon du progrès économique, mentionnons: la pollution de l'environnement, la vie en milieu urbain, le manque d'exercice, l'abus de l'alcool, du tabac et des drogues et enfin, les habitudes alimentaires qui de nos jours sont axées davantage sur la satisfaction des sens que sur les besoins du corps humain.

La préface, soit dit en passant, est de Marc Lalonde à l'époque où il était ministre de la Santé nationale et du Bien-être social.

Bien que tous conviennent depuis quelque temps déjà qu'il nous faut réorienter nos dépenses en matière de soins de santé, les progrès sont là. Les programmes comme ParticipAction sont un pas dans la bonne direction mais ça ne suffit pas. Les négociations qui doivent avoir lieu prochainement au sujet du financement des programmes établis nous offrent l'occasion de mettre davantage la théorie en pratique. Nous espérons, tout en mettant au point de nouveaux arrangements financiers pour ce qui est des programmes de santé à frais partagés, que les gouvernements fédéral et provinciaux verront la nécessité de réorienter les dollars qu'ils consacrent dans le domaine de la santé vers les programmes de prévention et de promotion de la santé.

Jusqu'ici, notre mémoire est axé surtout sur les implications sociales des changements susceptibles de se produire sur le plan des arrangements fédéral-provinciaux pour ce qui est des programmes à frais partagés, et c'est intentionnellement. Une partie importante des débats a porté sur les relations fédérales-provinciales. Nous croyons qu'il est tout aussi important d'étudier les conséquences possibles sur la vie des Canadiens. Nous reconnaissons cependant qu'il existe des questions politiques et économiques épineuses et susceptibles de créer des divisions, qui doivent être étudiées avant et au cours des discussions entre les deux ordres de gouvernement.

A cet égard nous avons plusieurs brefs commentaires à faire. Une des inquiétudes permanentes du gouvernement fédéral concerne l'équilibre fiscal entre lui-même et les gouvernements provinciaux. Le ministre des Finances l'a mentionné très clairement dans son mémoire. Augmenter le pouvoir fiscal des provinces au détriment de celui du gouvernement fédéral était l'équivalent d'une balcanisation économique si l'on poursuit dans la voie de la décentralisation. Pour corriger le déséquilibre, le ministre se fait le défenseur d'une politique de réduction de transferts fédéraux aux provinces pour les programmes à frais partagés. Nous trouvons cette suggestion plutôt contradictoire. Il nous semble qu'en réduisant ses dépenses pour les programmes à frais partagés, le fédéral obligerait les provinces à dépenser davantage à l'égard de ces programmes et, par conséquent, à accroître leurs dépenses totales. Au lieu de corriger le déséquilibre il l'aggraverait.

Non seulement l'ensemble des provinces pourraient augmenter leurs dépenses au titre des programmes sociaux, elles le feraient de façon disproportionnée et c'est ce qui nous inquiète



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would be an increasing disparity between provinces in the quality and level of health, education and social services. Reduced federal social spending, in other words, would hasten the process towards checkerboard federalism which the federal government quite rightly deplores.

In our opinion, the government's desire to rectify the fiscal imbalance and to slow the process of decentralization, while at the same time proposing substantial reductions in spending on the social affairs envelope, is completely contradictory. It is obvious, as well, that many of the measures' being contemplated by the federal government result from its concern about the deficit. We would simply point out that reduced spending is only one way to deal with that problem; the other option is to increase revenue. Increasing taxes is always a possibility, or the government could recoup some of the revenue it currently foregoes by means of tax expenditures and tax loopholes. We wonder why none of those options are being discussed publicly.

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If the federal government still determines that a reduction in spending is the best method of controlling the deficit, why has it targeted the area of social affairs for most of those cuts? Where are those Canadians who are demanding that the government reduce its deficit by decreasing the amount of money it allocates for medical care, universities, or social assistance? We do not believe that is what the majority of Canadians want. Most of the briefs you have received confirm that.

The Minister of Finance defended reduced spending on social programs by arguing that more money was needed for more important priorities, such as economic development. We suggest that the federal government reconsider its priorities.

Although economic growth is clearly a necessity, we hear very few people, outside of the Department of Finance, who are saying that Canada's social development must be sacrificed to its economic development.

In conclusion, the coalition realizes that there are many political and economic issues with which this task force must grapple, but there are also important social issues which must be considered. Medicare is just one of those issues, but is particularly relevant because of its symbolic as well as its practical value; for medicare also fosters a degree of unity. It is one of the few unifying threads that link together all Canadians wherever they happen to live, and that is of crucial importance at a time when the tapestry we call Canada is becoming increasingly threadbare.

The Canadian Health Coalition asks that you attach equal importance to the social implications of changes in federal-provincial cost shared programs as to their political and economic effects.

*[Traduction]*

le plus. Cela entraînerait une augmentation des disparités entre les provinces pour ce qui est de la qualité et du niveau des services de santé, d'enseignement et sociaux. En d'autres mots, une réduction des dépenses du fédéral pour des questions sociales accélérerait le processus de balcanisation que le fédéral déplore à juste titre.

A notre avis, le désir du gouvernement de corriger le déséquilibre fiscal et de ralentir le processus de décentralisation, tout en procédant à des réductions substantielles de ces dépenses pour l'enveloppe des affaires sociales, est tout à fait contradictoire. Il est clair également que nombre de mesures qu'envisage le gouvernement fédéral sont le produit de son attitude vis-à-vis le déficit. Nous signalons simplement qu'en réduisant les dépenses ce n'est qu'une façon de régler le problème, l'autre possibilité est d'augmenter les revenus. Il est toujours possible d'augmenter les taxes. Le gouvernement pourrait également essayer de récupérer une partie des revenus perdus aux mains de ceux qui profitent des imprécisions de la Loi de l'impôt. Nous nous posons la question à savoir pourquoi aucune de ces possibilités ne fait l'objet d'un débat public.

Si le gouvernement fédéral est toujours convaincu qu'une réduction au niveau des dépenses constitue la meilleure solution pour contrôler le déficit, pourquoi a-t-il fait des affaires sociales sa cible pour effectuer la plupart des coupures? Où sont les Canadiens qui exigent du gouvernement fédéral de réduire son déficit en diminuant les sommes d'argent qu'il réserve pour les soins médicaux, les universités ou l'aide sociale? Nous ne croyons pas que ce soit là la volonté de la majorité des Canadiens. La plupart des mémoires qui vous ont été présentés le confirme.

Le ministre des Finances a défendu la politique de diminution des dépenses au titre des programmes sociaux en donnant comme argument qu'il existait d'autres priorités plus importantes tel que le développement économique. Nous demandons au gouvernement fédéral de repenser ses priorités.

Bien que la croissance économique soit de toute évidence une nécessité, rares sont ceux qui, à part le ministère des Finances, sont en faveur du développement économique au détriment du développement social.

Comme conclusion, le mouvement est fort conscient des nombreuses questions économiques et politiques dont doit tenir compte le comité, mais il existe également d'importantes questions sociales auxquelles il faut penser. Les régimes d'assurance-santé ne sont qu'une de ces questions, mais ils sont particulièrement pertinents en l'occurrence en raison de leur valeur symbolique et pratique. Les régimes d'assurance-santé sont, dans une certaine mesure, source de dignité. C'est un des quelques fils qui relient les Canadiens peu importe où ils demeurent et c'est d'importance primordiale à une époque où ce que nous appelons le Canada est de plus en plus vague.

Le Mouvement pour la santé des Canadiens vous demande d'attacher autant d'importance aux implications sociales, économiques et politiques des changements au titre des programmes à frais partagés de gouvernements fédéral et provinciaux au niveau des conséquences.

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Thank you.

**The Vice-Chairman:** Thank you very much. Mr. Loiselle.

**M. Loiselle:** Merci, monsieur le président.

Je pense que le mémoire présenté par votre organisme fait preuve de beaucoup de réalisme. Par contre, je constate que vous avez l'impression que le gouvernement fédéral a pris un engagement ferme de réduire ses dépenses au niveau social, et vous donnez une série de raisons. Moi, je désirerais vous rappeler que ce que le ministre des Finances a rendu public, dans le dernier budget, c'est qu'il tentait de diminuer les paiements de transfert aux provinces de \$500 millions au cours du prochain exercice financier et d'un milliard au cours de l'exercice suivant. Cette réduction s'applique non pas au montant transféré en valeur absolue, mais au taux de croissance des transferts. Malgré les coupures d'un milliard et demi sur deux ans, il n'en restera pas moins que les dépenses fédérales dans le domaine des transferts seront augmentées en moyenne de 6.5 p. 100 par année. Or, cela, je pense que c'est essentiel de le rappeler.

Deuxièmement, lorsque vous parlez des disparités vous nous dites que réduire les paiements de transfert entraînera une augmentation des disparités au niveau canadien. Déjà, je pense, à force d'entendre les divers groupes, on doit constater qu'au niveau des services de la santé ou de l'éducation, depuis le block funding, et même avant, il y a des disparités qui sont en train de se développer et de s'accroître. Alors, vraiment, le problème du gouvernement fédéral... Lorsque vous dites que notre priorité est d'allouer davantage de fonds au développement économique et peut-être moins au domaine social, il faut dire que l'objectif fondamental essentiel et primordial du gouvernement fédéral est justement de trouver les moyens pour éviter que s'accroissent les disparités à travers le Canada.

Alors, vous semblez dire qu'il faut revenir aux programmes à frais partagés pour s'assurer qu'on aura des services respectant des standards moyens à travers tout le pays. Vous nous dites qu'il ne faut pas diminuer mais augmenter nos dépenses dans le domaine des affaires sociales. Moi, je vous dis qu'en continuant... Moi, l'impression que j'ai, c'est qu'en continuant de cette façon, en respectant la volonté des provinces d'avoir le plus de flexibilité et le plus d'autonomie possible, on s'engage peut-être aussi sur une voie qui va accroître les disparités qu'on a à travers le pays.

• 1605

Prenez les provinces de l'Atlantique par rapport à une province comme l'Alberta ou l'Ontario... Ces deux dernières, selon le block funding, ont les ressources financières pour améliorer leurs services de santé et leurs services dans le domaine de l'enseignement postsecondaire. Les premières ont moins de revenus, mais s'il fallait qu'elles consacrent la totalité de leurs ressources disponibles pour se donner des services de santé semblables à ceux de l'Ontario ou de l'Alberta, elles n'auraient plus aucune somme à consacrer à leur développement économique. En investissant plus dans le domaine économique, cela veut donc dire que dans cinq ans ou dans dix ans elles auront encore moins de revenus possibles et là, vraiment,

[Translation]

Merci.

**Le vice-président:** Merci beaucoup. M. Loiselle.

**Mr. Loiselle:** Thank you Mr. Chairman.

I think the brief submitted by your organization is very realistic. However I believe you have the impression that the Federal government has made a firm commitment to reduce its spending on social programs and you go on to enumerate the reasons. Let me refresh your mind as to what the minister of Finance has made public in the last budget. He was trying to reduce the amount of transfer payments to the provinces by \$500 million during the next fiscal year and by one billion dollars during the following fiscal year. This reduction applies not to the amount transferred in absolute value, but to the rate of increase of the transfers. Even with the reduction of a billion and a half dollars over two years, it remains nonetheless that the federal spending concerning transfers will increase on average by 6.5 per cent per year. It is essential to remember this.

Secondly, on the subject of disparities you say that by reducing the transfer payments there is an increase at the national level. From hearing different groups, I think that people realize that concerning the level of health and education services, since block funding, and even prior to it, there are disparities which are developing and even worsening. Therefore the Federal government programs... when you say that our priority is to allocate more money towards the economic development and maybe less in a social field, it is necessary to mention that the basic essential and primary goal of the Federal government is precisely to find a method to alleviate the disparities across Canada.

You seem to be saying that we should return to cost-sharing to ensure the same standards across the country. You tell us that spending should not be reduced but increased in the field of social affairs. As far as I am concerned I believe that if we continue in this direction, taking into account the will of the provinces to have more flexibility and more autonomy as possible, we are maybe putting ourselves in a situation where we encourage disparities which presently exist across the country.

Let's compare the Atlantic provinces and provinces like Alberta or Ontario. The latter, under block funding, have the financial resources to improve their health and post-secondary education services. The former have less revenues but if they had to spend all of their available resources to develop health services similar to those available in Ontario or Alberta, they would not have any money for their economic development. By investing more in their economy, it means that within five or ten years they will have even less revenues and then, really, it will be more than ever impossible to close the gap between the have and have-not provinces.



**[Texte]**

l'écart entre les provinces riches et les provinces pauvres ne pourra probablement plus jamais être corrigé.

Alors, le mandat de ce Comité n'est pas de dire dans quel programme on coupe, ou à qui on fait mal, puis à qui on donne le bonbon. Je pense que nous avons le même objectif qui est de s'assurer que tous les Canadiens, les 23 millions, où qu'ils soient, aient droit à des services similaires, selon des standards nationaux. Il faut donc au gouvernement fédéral trouver le moyen de procéder à la réallocation de fonds pour permettre à chacune des régions du pays de se doter de tels services, tout en s'assurant un développement économique qui va leur permettre on the long run de supporter ces soins offerts à la population.

Vous semblez dire que même une réduction dans le taux de croissance va accroître les disparités. Vous ne m'avez pas convaincu. Je prétends que si l'on continue selon la méthode actuelle, les provinces pauvres investissent moins pour leur développement économique, et moins elles investissent pour leur développement économique, plus les provinces riches investissent pour le leur, et plus l'écart s'accroît.

Je termine en vous disant ceci . . . On a reçu un groupe hier qui nous a dit: «Il ne faut pas donner aux gens uniquement qu'un poisson pour se nourrir un jour; il faut leur apprendre à pêcher si on veut vraiment qu'ils se développent pour tout le temps.»

Comment pouvez-vous concilier cela?

**M. P. Johnston:** Monsieur Loisel, malheureusement, je ne parle pas couramment le français et je vais passer à l'anglais . . . I must admit that I wish I had the power of the speaker so that I could pull you to the questions. I think there are a number of questions in there and I am sure I missed a lot of them, but I will try to cover some of them; perhaps some of my colleagues can respond to others that I have not caught.

You mentioned that there is an increase of 6.5 per cent in total transfers, and I do not doubt that is the case, but when you look at the inflation rate, although I do not know what it is running at right now, it is certainly in excess of 6.5 per cent. Clearly disparity in the quality and level of all services, health services, social services, educational services, is of greatest concern to us as well. I am glad to hear that it is of concern to the federal government but, frankly, I do not think that reducing the amount of money the federal government transfers to the provinces to provide those programs is the way to go about preventing an increase, or reducing the disparities that do exist and have existed for some time. I believe and the members of the coalition believe that would simply serve to increase the regional disparities. If you are living in a province like Saskatchewan or Alberta or British Columbia, that may not be a great concern to you, but it certainly should be if you live in any of the other provinces, and the four Atlantic provinces in particular. One of the real concerns that we have is about the developments in level and quality of services in the four Atlantic provinces. In fact that was also pointed out in Hall's most recent report, in which he suggested that in fact it may be advantageous, in particular for the four Atlantic provinces, for the federal government to consider returning to

**[Traduction]**

Therefore, it is not within the terms of reference of this committee to say which programs should be cut or who should not benefit and who should get a piece of cake. I believe we have the same goal, ensure that all Canadians, all 23 million, where ever they are, have the right to similar services according to national standards. The Federal government must therefore find a method to reallocate the funds so that every region in the country will benefit from such services while ensuring the economic development which will permit them on the long run to finance those health services available to the population.

You seem to think that even the reduction in the growth rate will increase the disparities. I am not convinced. I submit that if we keep on as we have, the have-not provinces will invest less for their economic development, and the less they invest the more the have provinces do, and more important is the gap.

In conclusion yesterday we heard from an organization that we should not provide fish to people for only one day, but teach them how to fish if we really want to help them.

How can you reconcile this statement with what you are saying.

**Mr. P. Johnston:** Mr. Loisel, unfortunately I do not speak fluent French therefore I will speak in English . . . Je dois dire que j'aimerais avoir le pouvoir de l'orateur de choisir les questions. Je suis sûr d'en avoir manqué plusieurs. Je vais quand même essayer de répondre à quelques-unes et peut-être que mes collègues pourront prendre la relève pour celles que je n'ai pas comprises.

Vous dites que le total des transferts a augmenté de 6,5 p. 100, et je n'en doute pas, mais si vous regardez le taux d'inflation, bien que je ne sache actuellement où il en est, il est certainement supérieur à 6,5 p. 100. Il va sans dire que la disparité au niveau de la qualité et du degré des services, services de santé, services sociaux, services d'éducation nous intéressent au plus haut point également. Je suis heureux d'entendre dire que le gouvernement fédéral s'y intéresse, mais, franchement, je ne crois pas qu'en réduisant le budget des transferts du fédéral aux provinces au titre de ces programmes que ce soit le moyen d'éviter une augmentation ou de réduire les disparités qui existent depuis longtemps. Je crois comme les autres membres du mouvement, qu'une telle décision ne ferait qu'élargir les disparités régionales. Si vous demeurez dans une province comme le Saskatchewan ou l'Alberta ou la Colombie-Britannique, il se pourrait que cette question ne vous intéresse pas, mais ce n'est certainement pas le cas si vous demeurez dans l'une ou l'autre des autres provinces et en particulier dans les quatre provinces de l'Atlantique. Une de nos principales sources d'inquiétude est la qualité et le niveau des services offerts dans ces quatre provinces. En fait, le juge Hall l'a signalé dans son dernier rapport lorsqu'il dit qu'il pourrait être avantageux, en particulier pour



[Text]

some form of cost sharing; that they may want to look at a combination of the existing arrangements of block funding and cost sharing, but also at disparities and the threat to the level of some kind of minimal standard of level of whatever services. Again it appears to us that the experience with EPF or since EPF would seem to provide some fairly conclusive evidence that that sort of unconditional transfer may not be the best way to proceed to prevent the kind of disparities and threats to those standards of accessibility and universality of coverage, of medicare in particular, that have, frankly, arisen since 1977. Those kinds of things did not exist prior to 1977 when there was that sort of fifty cent-fifty cent or dollar for dollar arrangement. I know I have missed a lot of the questions that you had but . . .

• 1610

**Mr. Loiselle:** There is evidence that in the four Atlantic provinces the percentage spent by the provinces on these services has decreased since the block funding, except in Quebec. We see that the percentage of this spending by the federal government is higher today than it was prior to 1977.

**Mr. P. Johnston:** Right, I do not doubt that.

**Mr. Loiselle:** If we continue the trend, even if we would increase the transfer from the federal government, I think this disparity will just increase in the long run.

**Mr. P. Johnston:** I frankly just do not believe that reducing the amount of money you give to the eleven provinces is the answer to it.

**Mr. Loiselle:** I will put it this way. If we say, instead of increasing our transfer by, say, 14 per cent, we will increase it across the board for the ten provinces just by 6.5, is it a crime to ask Alberta, B.C., Ontario to make a special effort, to spend more money in this field? If we transfer to the ten provinces just an increase of 6.5, and if because of the saving made by these reductions in transfers we are able to put more money in the have-not provinces, would that not be a better way to do it?

**Mr. J. MacDonald:** When the federal government was considering changing the fifty-fifty cost-sharing arrangement, several of the organizations that make up this coalition were consulted by Health and Welfare, and we were opposed to removing the conditions under which they had opted into medicare. They made a solemn pledge when opting into medicare that they would abide by the major conditions. We wanted the government to stick with that. It assured us that it was going to retain enough clout to make sure that the provinces would comply with the conditions. Almost immediately, on the implementation of the Established Programs Financing Act, medicare began to erode badly in many parts of the country: deterrent fees, doctors opting out, extra billing and many other forms of erosion.

[Translation]

les quatre provinces de l'Atlantique, que le gouvernement fédéral étudie la possibilité de revenir en quelque sorte à la formule des programmes à frais partagés. Elles seraient peut-être intéressées à étudier diverses formules à partir des arrangements de financement global et de programmes à frais partagés qui existent présentement. On pourrait également étudier les écarts et la menace qui est faite actuellement à la qualité des services. Je répète, il nous semble que l'expérience relativement au F.P.E. est la preuve déterminante que le transfert sans condition n'est peut-être pas la meilleure solution pour éviter le type d'écart et de menace relativement à la qualité des services et à l'accessibilité de l'assurance-santé en particulier, qui remonte à 1977. Cela n'existait pas auparavant lorsque les frais des programmes étaient partagés à 50 p. 100 ou que pour chaque dollar dépensé on en recevait un autre. Je sais que je n'ai pas répondu à toutes vos questions mais . . .

**M. Loiselle:** Le fait demeure que dans les provinces de l'Atlantique le pourcentage dépensé par les provinces à l'égard de ces services a diminué depuis le financement global, sauf au Québec. Pour ce qui est du gouvernement fédéral, le pourcentage est supérieur à ce qu'il était avant 1977.

**M. P. Johnston:** Je n'en doute pas.

**M. Loiselle:** Si nous maintenons la tendance, même supposons que nous augmentions les transferts du gouvernement fédéral, je crois que l'écart ne fera que s'accroître à long terme.

**M. P. Johnston:** En ce qui me concerne, la solution ne réside pas dans la réduction des sommes qui sont versées aux onze provinces.

**M. Loiselle:** Si, par exemple, au lieu d'augmenter le transfert de 14 p. 100 nous ne l'augmentons que de 6,5 p. 100 pour l'ensemble des provinces, serait-ce trop demander à l'Alberta, à la Colombie-Britannique et à l'Ontario de faire un effort spécial et de consacrer davantage de leur budget dans ce domaine? En raison des économies que nous réaliserions en ne versant que 6,5 p. 100, nous pourrions en donner davantage aux provinces pauvres. Ne serait-ce pas une bonne façon de faire les choses?

**M. J. MacDonald:** Lorsque le gouvernement fédéral a étudié la possibilité d'apporter des changements à la formule de partage des frais à 50-50, plusieurs des organismes qui font partie du mouvement ont été consultés par le ministère de la Santé nationale et du Bien-être social, et nous nous sommes opposés à l'élimination des conditions en vertu desquelles elles avaient opté de participer au régime d'assurance-médicale. Elles s'étaient solennellement engagées à se conformer aux conditions principales. Nous voulions que le gouvernement en reste là. On nous a assuré qu'il garderait suffisamment de pouvoirs pour obliger les provinces à se conformer aux conditions. Or, dès la mise en œuvre de la Loi sur le financement des programmes établis, le régime d'assurance-médicale a commencé à en subir les contre-coups dans de nombreuses régions du pays par le recours, notamment, aux honoraires trop élevés, à la surfacturation, au refus des médecins de participer.

*[Texte]*

As my colleague pointed out in our brief, the federal government having been the means of bringing about medicare through cost sharing, has an absolute obligation, in our judgment, to ensure that these conditions continue to be met. We have never accepted that the obligation has changed. Again, we have pointed out—and I reiterate—the need to avoid a patchwork sort of thing across the country.

When Monique Bégin indicated about a month ago she would cut off federal funding to the provinces if they continued to permit extra billing, the Nova Scotia health minister came out with a very significant statement, saying that they could not afford to lose that money from Ottawa; therefore, they would have to go along.

As members of the federal Parliament, it seems to us that it is your obligation to ensure that these conditions that were voted on, accepted by Parliament and imposed on the provinces would continue to prevail. We do not want to see a patchwork, but one of the things we are particularly concerned about is for the aging population—and we have an aging population in Canada—and those who are in that category now.

I would ask our colleague representing the National Pensioners and Senior Citizens Federation, to comment on that.

**Ms. Margaret Vowles (Vice-Chairman, National Pensioners and Senior Citizens Federation):** Mr. Chairman, the National Pensioners and Senior Citizens Federation, a democratic nonpartisan, nonsectarian, nonracial organization, represents 230 affiliated organizations which in themselves represent 400,000 pensioners and senior citizens in every province of Canada.

We support every aspect of the submission made today by the Canadian Health Coalition. The particular concern of our age group and the generation immediately behind us is the greatly increasing proportion of our members in the population at large.

Statistics Canada projections indicate the percentage of those over 65 will nearly double that of the mid nineteen seventies by the turn of the century. Considering the infirmities of the elderly and all the diseases and handicaps attendant upon growing old, it is obvious that the demands on medicare will increase. Expansion and improvements will be required. I will give you one example. Assistance with dental costs is sparse, yet the need for false teeth among the old is widespread. Without such assistance, hundreds of seniors are reduced to eating mush or expensive baby food. Of course, many do manage supposedly well balanced dog food, as we have heard.

We have come to expect existing services. We recognize the room for improvements, but we are appalled by the suggestion

*[Traduction]*

Comme l'a signalé mon collègue dans le mémoire, le gouvernement fédéral ayant pris sur lui de mettre en œuvre les régimes d'assurance-médicale par le truchement de programmes à frais partagés, a l'obligation absolue, à notre avis, de garantir qu'ils seront maintenus. Nous n'avons jamais accepté le fait que cette obligation ait changé. Je répète ce qui a déjà été dit et signalé dans le mémoire qu'il faut absolument éviter de balcaniser le pays à ce sujet.

Il y a environ un mois, lorsque M<sup>me</sup> Bégin a révélé qu'elle réduirait les sommes que verse le fédéral aux provinces si celles-ci continuaient de tolérer la surfacturation. La réponse du ministre de la Santé de la Nouvelle-Ecosse a été claire, la province ne pouvait se permettre de perdre les fonds qui lui arrivent d'Ottawa et que par conséquent la province allait se plier à cette exigence.

En tant que député du Parlement fédéral votre obligation est de garantir que ces conditions adoptées en Chambre et imposées aux provinces doivent continuer d'être appliquées. L'image d'un damier ne nous intéresse guère. Un des points qui nous intéresse particulièrement c'est le vieillissement de la population au Canada.

Je vais demander à la représentante de la Fédération nationale des retraités et des personnes âgées de vous entretenir là-dessus.

**Mme Margaret Vowles (vice-présidente de la Fédération nationale des retraités et des personnes âgées):** Monsieur le président, la Fédération est un organisme démocratique apolitique, multi-confessionnel et multi-racial, représentant 230 organismes affiliés qui en elles-mêmes regroupe 400 000 retraités et personnes âgées dans toutes les provinces du Canada.

Nous appuyons sans réserve le mémoire du mouvement pour la santé des Canadiens. L'inquiétude particulière des personnes de notre groupe d'âge et de la génération qui nous suit est le vieillissement de la population.

D'après Statistique Canada, le pourcentage des personnes âgées de plus de 65 ans au tournant du siècle sera presque le double de ce qu'il était au milieu des années 1970. Compte tenu des capacités réduites des vieillards et des maladies et des handicaps qui sont inévitables en vieillissant, il est évident que les besoins de soins médicaux seront plus grands. Il sera nécessaire d'élargir les programmes et de les améliorer. Je vais vous donner un exemple. Il n'existe pas de régime universel d'assurance-dentaire bien que chez les vieillards ce soit là un besoin général. En l'absence d'aide financière à ce titre, des centaines de personnes âgées en sont réduits à manger de la bouillie ou des aliments pour bébé, nourriture qui coûte très cher. Naturellement on entend dire que nombre d'entre eux survivent avec un régime d'aliments pour chien.

On nous a habitué à tenir les services établis pour acquis. Nous reconnaissons qu'il doit y avoir des améliorations, mais



[Text]

that there might be cutbacks in Canada's world recognized medicare program, and we fear those cutbacks.

**M. Loiselle:** Écoutez, est-ce que vous nous dites clairement que, bien qu'il s'agisse d'un champ de juridiction provinciale, l'intérêt national doit dicter au gouvernement fédéral, même s'il s'agit d'une juridiction provinciale, d'imposer des conditions strictes? Vous reconnaissez que le domaine de la santé et le domaine de l'éducation sont des champs de juridiction provinciale et vous nous demandez, pour le maintien de standards nationaux, que nous imposions des conditions strictes aux provinces, à une époque où celles-ci sont très jalouses de leur juridiction. Est-ce que votre organisation nous dit que, malgré les contraintes constitutionnelles, il est essentiel que le gouvernement fédéral impose des conditions?

**M. Émile Vallée (directeur, Métallurgistes unis d'Amérique):** En gros, la réponse à cela, c'est oui. Le fédéral a pris des responsabilités dans le domaine; c'est le gouvernement fédéral qui a fait la promotion du programme d'assurance-santé, après tout. C'est le fédéral qui l'a commencé, c'est le fédéral qui a imposé les conditions aux provinces pour que les provinces puissent embarquer dans le programme. C'est le fédéral, également, qui a établi des standards auxquels les provinces devaient se conformer pour pouvoir participer au programme.

Alors, dans le fond, vous dites que le fédéral ne devrait plus faire cela. Dans le fond, c'est cela que vous dites. Le fédéral a fait cela jusqu'en 1972. En 1977, on a changé les méthodes de financement et il nous semble qu'à ce moment-là, le gouvernement fédéral a commencé à reculer dans le domaine des normes qu'on exigeait des provinces. De la façon dont vous parlez, le fédéral continuerait à reculer. On parle de nouvelles négociations en 1981-1982 et le gouvernement fédéral reculerait encore. On estime que le gouvernement fédéral a fait la promotion du programme; on ne le blâme pas pour l'avoir fait; au contraire, on est très content. On estime qu'à cause de la participation du gouvernement fédéral et du rôle qu'il a joué à ce jour, il devrait continuer à jouer un rôle dans ce domaine-là et à maintenir des normes de qualité, de service, de santé à travers le Canada.

Maintenant, j'aimerais revenir, si vous le voulez, à une question que vous avez soulevée plus tôt, la question des allocations, des transferts de fonds. Vous parlez d'une augmentation de 6.5 p. 100 donnée à tout le monde. Alors, dans le fond, ce que vous dites, c'est qu'on réduit en valeur relative le transfert de fonds du gouvernement fédéral. Cela veut dire qu'à moins qu'il y ait une augmentation fantastique de la productivité dans le domaine de la santé, il va y avoir une réduction de la qualité dans le domaine de la santé, à moins que les provinces ne dépensent plus.

Dans le fond, c'est cela. Alors, si cela se produit, si les provinces riches augmentent effectivement leurs dépenses, qu'est-ce qui va arriver? Vont-ils être capables de maintenir ou d'augmenter la qualité? Et dans les provinces qui sont moins riches, qui ne peuvent pas se le permettre pour les raisons que vous avez mentionnées, la qualité des services va diminuer et puis le résultat de tout cela va être une réduction de la qualité

[Translation]

ce qui nous renverse c'est la possibilité de coupures qui seraient effectuées aux programmes reconnus pour leur qualité dans le monde entier.

**Mr. Loiselle:** Are you saying that even though this falls within the provinces' jurisdiction, the Federal government must in the national interest adopt strict measures? You will admit that the health and education fields are provincial matters. But you are asking us, so as to assure the national standards, that we impose strict conditions on the provinces at a time when they are very jealous of their jurisdiction. Is your organization saying that notwithstanding the constitutional restrictions it is essential for the Federal government to impose those conditions?

**Mr. Émile Vallée (Director of the United Steelworkers of America):** Briefly, the answer to that is yes. The Federal has accepted responsibilities in that field. It is the Federal government who is promoting Medicare after all. It is the Federal who started it, who began imposing conditions on the provinces so that they would participate. It is also the Federal government who has established the standards to which the provinces must comply to participate.

But what you are saying is that the Federal government should not do this anymore, isn't that right? It was done until 1972. In 1977 the funding method was changed and it seems that it is when that the Federal government began to be less demanding as far as the provincial standards are concerned. We hear of new negotiations in 1981-1982 and that the Federal government would not change its policy. We do not blame the Federal government to have taken upon itself to promote the program. On the contrary we are very happy about it. We feel that because of this participation, of the role it played until now, that it should continue and maintain the standards of quality of the services in health care across Canada.

I would like to come back if you don't mind to a question which you raised earlier concerning allocations, fund transfers. You speak of 6.5 percent general increase. Therefore what you are saying is that we reduce the relative value of the fund transfers of the Federal government. What it means is that unless there is an important increase in the productivity in the health field, there will be a reduction in the quality of health care, unless the provinces spend more.

Isn't that a fact? If so, if the rich provinces in effect increase their spending what will happen? Will they be able to maintain or improved on the quality? And in the poorer provinces which cannot afford it for the reasons you just mentioned, the quality of services will drop, with the ultimate result being a drop in the quality of services in those provinces and an increase in provincial disparities.



[Texte]

des services dans ces provinces-là et une augmentation des disparités d'une province à l'autre.

• 1620

**M. Loiseleur:** Voici la question que je vous ai posée. Si au lieu d'augmenter les transferts du gouvernement fédéral à toutes les provinces de 14 p. 100, par exemple, on ne les augmentait que de 6 p. 100 dans toutes les provinces, on ferait des économies. On dépenserait moins d'argent. Avec les économies ainsi réalisées, on pourrait réaffecter certains fonds aux provinces moins riches pour leur permettre de se rattrapper, pour leur permettre de garantir des services. Dans le fond, c'est peut-être un peu moins d'argent pour les programmes établis et davantage pour la péréquation. Là, je constate qu'avec la méthode actuelle, le 50/50, ou encore avec le block funding, à l'exception du Québec, même au niveau de la qualité des services, il y a une disparité qui s'accroît entre les provinces riches et les provinces pauvres. Alors, moi je dis: est-ce qu'on ne devrait pas demander aux provinces riches de faire un effort un peu plus important au niveau de la santé et permettre au gouvernement fédéral d'intervenir, lui, là où le besoin se fait le plus pressant? Si vous aviez un organisme, parce que cela fait quelques fois qu'on nous parle de ce conseil national de la santé, peut-être qu'il serait dans une meilleure position que nous, le gouvernement fédéral.

Je vous pose une question; c'est la dernière. Frank S. Miller, le trésorier de l'Ontario, me dit: ce n'est pas à vous, le gouvernement fédéral, de nous poser des conditions. Le gars vient de se faire réélire il y a un mois ou deux avec une majorité accrue. Cela veut donc dire qu'il y a une majorité de sa population qui est heureuse de ce qu'il fait. Quand je lis ma constitution, c'est vrai que les domaines dont je discute avec lui sont de juridiction provinciale. Qu'est-ce que je réponds à Miller?

**Mr. P. Johnston:** Mr. Loiseleur, I think most Canadians would accept the proposition that, because the federal government puts a lot of the money required into the health care system, it is entirely appropriate for the federal government to establish some kinds of conditions and standards. I do not believe, though, that the only way that can happen is for the federal government to assume a sort of posturing position, and say, Bang, bang, bang, provinces, this is what you have to do. I do believe that it is possible still in this country for the provinces and the federal government to work together to try and smooth out some of the problems that I think everybody agrees exist.

I do not think it is as black and white as perhaps you are suggesting. I think most Canadians would accept that the federal government has not only the authority, but it has the responsibility. It should have the accountability to determine where the money it puts into the health care system goes and how it is used. However, that does not mean that it determines exclusively how the provinces are to develop their health care systems. Clearly, there is a role for both the federal government and provincial governments.

[Traduction]

**Mr. Loiseleur:** Here is the question I put to you. If, instead of increasing federal transfers to all provinces by 14 percent, for example, they were increased by 6 percent to all provinces, there would be savings. Less money would be spent. With those savings, funds might be reallocated to poorer provinces in order to allow them to catch up, to guarantee services. Under the present 50/50 formula, or block funding, the disparities between rich and poor provinces are on the increase, except in the case of Quebec. Should we not ask the richer provinces to try a little harder in the health field in order to allow the federal government to intervene where the need is the most urgent? If you had an organization, since there has been talk about that national health council on several occasions, maybe it would be in a better position than the federal government.

This is my last question. Frank S. Miller, Treasurer of Ontario, told me that it is not up to the federal government to impose such conditions upon them. The guy has just been reelected, one or two months ago, with an increased majority. That means that a majority of people are happy with what he has done. When I read the Constitution, it is true that the areas I discuss with him are under provincial jurisdiction. What do I answer Mr. Miller?

**M. P. Johnston:** Monsieur Loiseleur, je crois que la plupart des Canadiens admettraient qu'il est tout à fait approprié que le gouvernement fédéral fixe des conditions et des normes, car il investit beaucoup d'argent dans les soins de santé. Je ne crois cependant pas que la seule façon pour le gouvernement fédéral d'y parvenir soit en gesticulant, en menaçant les provinces et en leur disant quoi faire. J'estime qu'il est encore possible pour les provinces et le gouvernement fédéral de collaborer et de régler quelques-uns des problèmes qui, de l'avis de chacun, se posent.

Je ne crois pas que les choses soient aussi claires et nettes que vous voulez peut-être le laisser entendre. La plupart des Canadiens admettront à mon avis que le gouvernement fédéral a non seulement l'autorité, mais aussi la responsabilité. Il devrait pouvoir décider où va l'argent qu'il investit dans les soins de santé et comment cet argent est dépensé. Cela ne veut cependant pas dire qu'il détermine à lui seul comment les provinces vont développer leur système de soins de santé. Il y a de toute évidence un rôle pour le gouvernement fédéral et les provinces.

[Text]

**M. Loiseau:** Un dernier commentaire. Malgré toute la gentillesse, le gant de velours, si jamais les provinces nous opposaient une fin de non-recevoir à toute condition très gentille qu'on pourrait leur faire, seriez-vous prêts à aller sur les tribunes publiques pour dire: le gouvernement fédéral a un rôle à jouer là-dedans?

**Mr. P. Johnston:** I wanted to make two points just quickly. In the presentations made to Justice Hall, one of the groups that came up was called the OHIP Reform Committee. So this is specifically an example you were giving with Northern Ontario. To say that the Conservatives have got back in office in Ontario and everybody is kind of happy with OHIP and \$450 a year to the poorest families, is something that runs strictly against the grain of the kind of statistics they came up with. Those said that between 12 and 20 per cent of the population in Ontario is not in OHIP, because they just have not got the technical awareness or the financial resources to stay in. Okay, so who is happy with that? Well, no one in our coalition would be happy; no one in the Ontario coalition would be happy with that. There has to be a position with greater nuance. Exactly.

So what is the problem with the Established Program Financing arrangement? Specifically Maureen Ross, the Deputy Minister, and you know who she is, said the provinces do not now have to spend on specific programs to receive federal contributions. The provinces now have an incentive not only to reduce. The idea was that they could be more creative, they could create new programs. We feel that maybe it would be a regressive measure to go back to 50-50 cost sharing, but something has to be done because the incentive is not there. They have let it slide. She says that:

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They are not legally obliged either to invest the accrued savings or to increase spending for other health care services despite additional federal contributions. The provinces are not legally required to match federal contributions with provincial contributions.

That situation calls for, just off the top of my head, some kind of bilateral arrangement rather than this multilateral arrangement where we say, Well we cannot go into an agreement with the Maritimes because we must have the same agreement with Ontario. That is just kind of unimaginative, you know. I might just leave it at that.

Again, I will just say one more thing. Perhaps it would be criticized in that bilateral arrangements with each province are too unwieldy. But is that actual? Under the past 50-50 agreement, in essence that is what it was—a bilateral arrangement.

**The Vice-Chairman:** Mr. Thacker.

**Mr. Thacker:** Thank you, Mr. Chairman. I want first of all to refer to page 9 of the report. In your last sentence you say:

[Translation]

**Mr. Loiseau:** Just a last comment. Despite all the gentleness, the velvet glove, should the provinces refuse any gentle condition we might happen to impose upon them, would you be willing to state publicly that the federal government has a part to play in that area?

**M. P. Johnston:** Je voudrais faire valoir deux points très rapidement. Un des groupes qui ont témoigné devant le juge Hall était le comité de la réforme de l'OHIP. Je parle précisément de l'exemple que vous donniez au sujet du nord de l'Ontario. Affirmer que les Conservateurs sont revenus au pouvoir en Ontario et que tout le monde est à peu près heureux de l'OHIP et des \$450 par année qu'il en coûte aux familles les plus pauvres va à l'encontre des chiffres qu'ils ont présentés. Ces chiffres révélaient que de 12 à 20 p. 100 des habitants de l'Ontario ne sont pas membres de l'OHIP parce qu'ils n'ont tout simplement pas les connaissances techniques ou les ressources financières nécessaires pour y demeurer. Très bien, qui est heureux de cette situation? Personne de notre coalition en serait heureux, ni personne en Ontario. Il doit y avoir davantage de nuances.

Quel est donc le problème avec l'accord de financement des programmes établis? Le sous-ministre, Maureen Ross, et vous savez qui elle est a déclaré que les provinces ne sont pas obligées de consacrer de l'argent à des programmes particuliers pour recevoir des contributions du fédéral. Les provinces ont maintenant un stimulant et non pas seulement dans le sens de la réduction. On pensait qu'elles pourraient faire preuve de plus de créativité et lancer de nouveaux programmes. Nous estimons que l'on ferait peut-être un pas en arrière en revenant à la formule du partage égal des coûts, mais il faut faire quelque chose lorsqu'il n'y a pas de stimulant. Elles ont laissé glisser. Elle affirme que:

Elles ne sont pas légalement obligées soit d'investir les économies accumulées, soit d'augmenter les dépenses d'autres services de soins de santé malgré l'augmentation des contributions fédérales. Les provinces ne sont pas légalement obligées de contribuer autant que le gouvernement fédéral.

Cette situation exige des accords bilatéraux plutôt que les accords multilatéraux dans le cadre desquels nous disons que nous ne pouvons pas conclure d'accord avec les Maritimes parce que nous devons conclure le même avec l'Ontario. Cela manque tout simplement d'imagination, vous savez. Je pourrais m'arrêter là.

Je vais simplement ajouter une chose. On pourrait peut-être prétendre que des accords bilatéraux avec chaque province seraient trop encombrants. Est-ce exact? Les accords antérieurs de partage des coûts étaient essentiellement des accords bilatéraux.

**Le vice-président:** Monsieur Thacker.

**M. Thacker:** Je vous remercie, monsieur le président. Je voudrais tout d'abord revenir à la page 9 du rapport. Dans votre dernière phrase, vous affirmez ceci:



## [Texte]

Where are those Canadians who are demanding that the government reduce its deficit by decreasing the amount of money it allocates for medical care, universities or social assistance?

I wonder how you reacted as a group to the statement by Madam Bégin that post-secondary education was elitist and, therefore, her medicare department should not be back of that; the university system should. How do you react to that, or how did your members react to that?

**Mr. P. Johnston:** to be honest with you, Mr. Thacker, we have not reacted to it because we have not met to discuss those kinds of things. Our primary interest of course is in medicare and, more generally, in the health care system. We do not want to be placed in a position where we are trading off or trying to support one program over another within the social affairs envelope. But generally speaking we do have some fairly major concerns about the implications of any cutbacks in the social affairs envelope. I would certainly have concerns speaking from a health care point of view about cutbacks in funding for universities that would affect medical research, for example. The Canadian Health Coalition does not have a specific position. I think I would just like to leave it at that.

**Mr. Thacker:** So you are not agreeing or disagreeing? You just do not want to get involved with the argument about whether they will beggar the universities in order to save medicare?

**Mr. P. Johnston:** Exactly.

**Mr. Thacker:** From a very practical point of view the position of the federal government, as you know, is that it has quite an enormous deficit. The provinces all have annual operating deficits except Alberta, B.C. and, I think, Saskatchewan now. But if you look at the deficits in the provincial budget of Ontario or Quebec you will see that they are enormous, even though under the EPF they have taken those moneys and used them for other things rather than as prior to 1977 when they used to go into Medicare. So that means we have either got to cut down programs, cut tax expenditures, or increase taxes. And I am wondering if you think, on behalf of your associations, all of whom pay taxes and there is an enormous body of labour unions here who are hard-working men and women who really create wealth in the country that they would be prepared to have tax increases.

**Mr. J. MacDonald:** We do not believe that that really is the issue. If you stay with page 9, you will see that we make in the second last paragraph the point of recouping the lost revenue—the revenue which the government foregoes through the variety of tax shelters and depletion allowances that exist. My last recollection is that there is somewhere between \$30 and \$40 billion. So we believe that this is the area where the government should be recouping some of that revenue to meet this kind of obligation, indeed to discharge the obligation it has.

**Mr. Thacker:** Have you, as a coalition, been able to go through the tax expenditure account, because it is published

## [Traduction]

Où sont les Canadiens qui exigent que le gouvernement réduise son déficit en diminuant les sommes qu'il attribue aux soins de santé, aux universités ou à l'aide sociale?

Je me demande comment votre groupe a réagi à la déclaration de M<sup>me</sup> Bégin qui affirmait que l'éducation post-secondaire était élitiste et que son ministère de la Santé ne devrait donc pas l'appuyer, mais que le système universitaire devrait le faire. Comment réagissez-vous à cela?

**M. P. Johnston:** En toute franchise, monsieur Thacker, nous n'avons pas répondu parce que nous ne sommes pas réunis pour discuter de ce genre de choses. Nous nous intéressons avant tout à l'assurance-santé et, de façon plus générale, au régime de soins de santé. Nous ne voulons pas nous retrouver dans une position où il faudra privilégier un programme au détriment d'un autre à l'intérieur de l'enveloppe des affaires sociales. Règle générale, cependant, nous sommes assez inquiets des répercussions que pourrait entraîner toute compression de l'enveloppe des affaires sociales. Au point de vue des soins de santé, je serais certes inquiet d'une compression du financement des universités qui affecterait la recherche médicale, par exemple. La Canadian Health Coalition n'a pas de positions précises. Je vais m'en tenir à cela.

**M. Thacker:** Vous n'êtes donc pas d'accord ni en désaccord? Vous ne voulez tout simplement pas vous engager dans l'argumentation qui prétend qu'on va appauvrir les universités afin de sauver l'assurance-santé?

**M. P. Johnston:** C'est exact.

**M. Thacker:** Du point de vue très pratique, vous savez que le gouvernement fédéral supporte un déficit énorme. Les provinces ont toutes des déficits annuels de fonctionnement, à l'exception de l'Alberta, de la Colombie-Britannique et, je crois, de la Saskatchewan. Si vous jetez cependant un coup d'œil sur le déficit de l'Ontario et du Québec, vous constaterez qu'il est énorme même si ces provinces ont accepté l'argent servant au financement des programmes établis et l'ont utilisé à d'autres fins, contrairement à ce qui se faisait avant 1977 alors qu'elles le consacraient à l'assurance-santé. Cela veut donc dire que nous devons soit réduire des programmes, soit diminuer les dépenses fiscales, soit augmenter les impôts. Je demande si, au nom de vos associations, vous croyez que tous les contribuables, et nous avons ici une masse énorme de syndicats constitués d'hommes et de femmes qui travaillent dur et qui génèrent en réalité la richesse du pays, seraient disposés à accepter une hausse des impôts.

**M. J. MacDonald:** Nous ne croyons pas que ce soit vraiment là la question. Si vous restez à la page 9, vous constaterez que, dans l'avant-dernier paragraphe, nous faisons valoir l'argument de la récupération des recettes perdues, soit des recettes que le gouvernement laisse filer à cause de toutes sortes d'abris fiscaux et d'allocations d'épuisement. Si ma mémoire est bonne, les derniers chiffres se situaient entre 30 et 40 milliards de dollars. Nous croyons donc qu'il s'agit là d'un domaine où le gouvernement devrait récupérer des revenus pour s'acquitter de son obligation.

**M. Thacker:** Votre groupe a-t-il pu étudier le compte des dépenses fiscales maintenant publié? Une bonne partie de ces



[Text]

now? And there are a large number of them that apply to corporations; a large number of them apply to individuals, such as indexation—the marital exemption, the child tax credit, et cetera.

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Have you some recommendations that you would ask us, as the task force, to look at specifically to be deleted?

**Mr. J. MacDonald:** Well, first of all, we believe the first recommendation is not to be calling it tax expenditure because it is anything but. It is not an expenditure; it is revenue that is forgone. It is misleading to the public at large to call it a tax expenditure.

Our concern is that your task force is going to examine that and find out the ones that you have to make the political judgment on that can be modified or eliminated—and there are quite a few of them.

**Mr. Thacker:** If we were to come back and say, okay, we think, for example, the indexing should be taken away, how would your council respond to that?

**Mr. J. MacDonald:** We believe there are many more blatant examples, MURBs and the ARC program that used to exist, the depletion allowances. Quite a number of major petroleum corporations, one in particular, the year before last, on something over half a billion dollars in revenue paid not a penny in taxes.

**Mr. Thacker:** So you would like us to look, really, at the high-income earners.

**Mr. J. MacDonald:** The groups that are best able to take advantage of the tax shelters, yes.

Emile, do you have any comment on that?

**Mr. Vallée:** No, except that I do not think it is within the mandate, if you wish, of the Canadian Health Coalition to tell you exactly where you should be doing the cuts, and so on. All I know is that if you had come back to us and told us that we should get rid of indexing, for instance, I am not sure that the Coalition, as such, would do anything on that. But I know darn well that our union—as a union—would have some very specific comments to make about it.

**The Chairman:** In areas that do not touch your members? On va toucher les dépenses de taxation qui ne touchent pas vos membres. C'est toujours comme cela; ce n'est pas pour faire des farces, mais on est toujours comme cela dans ces cas-là.

**Mr. P. Johnston:** May I also make one additional comment, Mr. Thacker? I think we suggested in here that the Department of Finance take a look at what they have called the tax expenditure system to see if that is a way of recouping some of the revenue that the federal government currently forgoes—and there is an incredible amount of money there. I frankly think the whole concept of the tax expenditure system is not something that most Canadians are fully aware of or conversant with. I would think there would be much more pressure on the federal government to look at increasing its revenue if people knew what the tax expenditure system meant. That is the first point.

[Translation]

dépenses s'applique aux sociétés, une autre aux individus. Je pense par exemple à l'indexation, à l'exemption de personne mariée, au crédit d'impôt pour enfants, et ainsi de suite.

Avez-vous des recommandations à soumettre au groupe de travail en lui demandant de les examiner dans le but précis de les supprimer?

**M. J. MacDonald:** Tout d'abord, nous vous recommanderions de ne pas parler de dépenses fiscales parce que ce n'est vraiment pas cela. Il ne s'agit pas de dépenses, mais plutôt de revenus dont le gouvernement se prive. On trompe le public en général en parlant de dépenses fiscales.

Ce qui nous intéresse, c'est que votre groupe de travail étudie la situation et détermine les aspects sur lesquels vous devrez porter un jugement politique en vue de les modifier ou de les éliminer, et il y en a beaucoup.

**M. Thacker:** Si nous recommandions dans notre rapport, par exemple, d'éliminer l'indexation, comment réagirait votre conseil?

**M. J. MacDonald:** Nous croyons qu'il y a des exemples plus évidents comme les MURBs, l'ancien programme ARC et les allocations pour épuisement. Par exemple, une grande société pétrolière en particulier, il y a deux ans, n'a pas payé un cent d'impôt sur des revenus dépassant le demi-milliard de dollars.

**M. Thacker:** Vous aimeriez donc que nous étudions en réalité le cas des revenus élevés.

**M. J. MacDonald:** Ceux qui peuvent le plus profiter des abris fiscaux, en effet.

Émile, avez-vous des observations à ce sujet?

**M. Vallée:** Non, sauf que je ne crois pas que le mandat de la Canadian Health Coalition soit de vous dire exactement où vous devriez pratiquer les coupures et ainsi de suite. Tout ce que je sais, c'est que si vous nous disiez qu'il faut faire disparaître l'indexation, par exemple, je ne suis pas sûr que la coalition ferait quelque chose à ce sujet. Cependant, je sais très bien que notre syndicat aurait des observations très précises à faire là-dessus.

**Le président:** Dans des domaines qui n'affectent pas vos membres? We will deal with fiscal expenditures which do not affect your members. It is always the same thing. I am not joking, but it always happens this way in such cases.

**M. P. Johnston:** Pourrais-je aussi ajouter une observation, monsieur Thacker? Je crois que nous avons suggéré que le ministère des Finances examine ce qu'il a appelé le système des dépenses fiscales pour voir s'il n'y aurait pas moyen de récupérer une partie des revenus dont le gouvernement fédéral se prive actuellement, ce qui représente des sommes incroyables. Je crois franchement que la plupart des Canadiens ne sont pas très familiers avec tout le concept des dépenses fiscales. Si les gens savaient que veut dire le système des dépenses fiscales, je crois qu'ils exerceraient beaucoup de pression sur le gouvernement fédéral pour l'inciter à accroître ses recettes. Voilà mon premier point.

*[Texte]*

Second, I frankly do not think that increasing taxes is the bugaboo that you obviously are suggesting it is. Now, obviously I am not a politician so I see it in a little different light from a politician's point of view. I think what we fail to do . . .

**Mr. Blenkarn:** Now, wait a minute. Your group is saying to us, as a task force, you recommend an increase in taxes . . .

**Mr. P. Johnston:** Just a minute. We have not said that at all. We have said . . .

**An hon. Member:** Do not put words in our mouths.

**Mr. P. Johnston:** . . . that we believe that rather than simply looking at reducing expenses or expenditures, the federal government should be looking at increasing its revenue, and there are a variety of ways of doing that. One of the ways is increasing taxes.

I think, though, frankly, Mr. Thacker, that what we do not do in this country is make the connection between the services that are publicly provided and taxes; that those taxes go to pay for those services, and we should be doing a much better job. For example, I think you would not have too many arguments if you could convince the average Canadian in the street that an increase in taxes was going to go to keeping the quality of health services consistent. I think what the automatic reaction against increases in taxes is is that it is just going to feed this massive bureaucracy and mismanagement and waste. That is what people are concerned about. But I think if the causal link is made between increasing taxes and keeping the health care system a high quality system, the majority of Canadians would say yes. I would agree with that.

**Mr. Thacker:** Yes, I agree with that 100 per cent. I think if you come out straightforward and honest with people, explain to them that we have the best medicare system in the world and that there is a cost associated with that, they will accept that. If we want to have the benefits of Sweden, we have to have, partially, the taxes of Sweden. The question really is equity as between different taxpayers, and that is where the tax expenditure account creates inequities to the charging section that is equal to all of us.

• 1635

What is your coalition's reaction to the concept of cutting away some of the universalism? For example, if you get family allowances, but you are earning about \$30,000, maybe you should forego it. The same would be the case with old age security. Some of us, who have had a more-privileged financial position by virtue of birth, or luck in the marketplace, should not take old age security if we earn over \$30,000 a year. How do you react to that?

**Mr. J. MacDonald:** We would be happy to say that, on universal programs, the position, that had been by most of the organizations with the Coalition, over the years, is to use the taxation system to recover from a person that is not in the position of need rather than to apply a demeaning means test

*[Traduction]*

Deuxièmement, je ne crois franchement pas que l'augmentation des impôts soit aussi difficile que vous le suggérez de toute évidence. Bien sûr, je ne suis pas politicien et je vois donc la chose sous un angle un peu différent. Je crois que ce que nous ne réussissons pas . . .

**M. Blenkarn:** Un instant. Vous nous dites, en tant que groupe de travail, que vous recommandez une augmentation des impôts . . .

**M. P. Johnston:** Un instant. Ce n'est pas du tout ce que nous avons dit. Nous avons dit . . .

**Une voix:** Ne nous faites pas dire des choses.

**M. P. Johnston:** . . . que nous croyons qu'au lieu de chercher simplement à réduire les dépenses, le gouvernement fédéral devrait chercher à accroître ses recettes et qu'il y a toutes sortes de façons de le faire. Un des moyens est d'augmenter les impôts.

Cependant, je crois franchement, monsieur Thacker, que nous n'établissons pas le rapport entre les services publics et les impôts, que nous ne pensons pas au fait que les impôts servent à payer ces services et que nous devrions faire beaucoup mieux. Par exemple, je ne crois pas que vous entendriez beaucoup de protestations si vous pouviez convaincre le Canadien moyen qu'une augmentation des impôts servira à maintenir la qualité des services de santé. La réaction automatique que l'on a vis-à-vis des augmentations d'impôts, c'est qu'elles servent uniquement à nourrir le monstre bureaucratique caractérisé par la mauvaise gestion et le gaspillage. C'est ce qui inquiète la population. Je crois cependant que si l'on établit le lien de cause à effet entre l'augmentation des impôts et le maintien de la qualité du système de soins de santé, la plupart des Canadiens seraient d'accord. Je le serais.

**M. Thacker:** Je suis parfaitement d'accord. Si vous êtes franc et honnête avec les gens, leur expliquez que nous avons le meilleur système d'assurance-santé au monde et qu'il en coûte quelque chose, ils vont l'accepter. Si nous voulons avoir les mêmes avantages qu'en Suède, nous devons payer à peu près les mêmes impôts. La question en est en réalité une d'équité entre différents contribuables et voilà où le compte des dépenses fiscales donne naissance à des inégalités en ce qui concerne l'aspect facturation qui est égale pour nous tous.

Que pense votre coalition d'une réduction partielle de l'universalité? Par exemple, si vous obtenez des allocations familiales, mais si vous gagnez plus de \$30,000, vous devriez peut-être vous en priver. La même chose vaudrait dans le cas de la sécurité de la vieillesse. Certains dont la situation financière est plus avantageuse par naissance ou à la suite de transactions boursières chanceuses ne devraient pas accepter de sécurité de la vieillesse s'ils gagnent plus de \$30,000 par année. Qu'en pensez-vous?

**M. J. MacDonald:** Nous serions heureux de dire que dans le cas des programmes universels, la plupart des organismes qui font partie de la coalition estiment depuis des années qu'il faudrait utiliser le régime fiscal pour récupérer de l'argent de ceux qui ne sont pas dans le besoin au lieu de recourir à un



[Text]

to determine who will get it and who will not get it. That is a very, very basic position.

**Mr. Thacker:** But surely then, you, do not oppose the child tax credit which applies a means test?

**Mr. Patrick Jamieson (Director, Catholic Health Association of Canada):** Let me just say how I interpret what you just suggested. To me it is a radical move because what you are speaking of, is, in my mind, institutionalizing a preferential option for the poor. I speak in that kind of language because that is the subject I represent, the church. But I think, if you look down the list, here, you will see that not only the church, but also every other subsection represents national anti-poverty. There are the kind of examples that Margaret gave. Labour's traditional stand on the poor and disadvantaged, the social development and the social workers, that whole group, there, I think, is a coalition that does stand for that kind of preferential option for the poor. That is who we are concerned about primarily. Medicare itself was instituted for people on that end of the spectrum and it is an increasing percentage with inflation and the whole spiral situation. Yes, we do stand very strongly for that. That would be, to me a more highly imaginative kind of approach. There are probably lots of people who do not need that and they probably use it for their own good purposes, but, when we look at the common good, maybe that is a very good idea on the family allowance.

**Ms. Vowles:** May I say that there is a stigma attached to those baby bonus or old age cheques as soon as you require the means test. They go through the cashier at the supermarket and everybody knows they are on the bottom end of it all and if we do not eliminate that labelling we are going backwards. You know what I mean. That is a label that must not be allowed.

**Mr. Thacker:** Ms. Vowles, I think that was certainly correct when those types of programs first came in and you really had to go in to apply. It was demeaning. But when it is done through the income-tax system, based on the filing of a tax return, it is much less of a demeaning thing, I believe, because we do it with the child tax credit.

That leads me to my last question on which I would like your comments. It deals with respect to doing away with, in a sense, the welfare programs, the old age security and family allowances—all of them—in favour of what is generally called a negative income tax . . .

**Ms. Vowles:** That I would support.

**Mr. Thacker:** . . . which then, you see, focuses everything into Ottawa in your tax return. It gets away from federal-provincial disputes because all of those agreements fall by the wayside. How do you react to that as a concept?

**Mr. Steven Jelly (Secretary, Consumers' Association of Canada):** Let me make one comment about that, and then I will go back to one of your previous comments, because they

[Translation]

examen dégradant des besoins pour déterminer qui en bénéficiera. Il s'agit là d'une attitude très fondamentale.

**M. Thacker:** Cependant, vous ne vous opposez sûrement pas au crédit d'impôt pour enfants qui constitue un examen des moyens?

**M. Patrick Jamieson (directeur, Association catholique sur la santé du Canada):** Permettez-moi simplement de dire comment je vois ce que vous venez de proposer. Il s'agit à mon avis de quelque chose de radical parce que je crois que ce dont vous parlez consiste à institutionnaliser une option préférentielle pour les pauvres. Je parle en ces termes parce qu'il s'agit là du sujet que je représente, l'église. Je crois cependant que si vous jetez un coup d'œil à la liste, vous verrez que non seulement l'église mais aussi tous les autres chapitres représentent des mouvements nationaux de lutte contre la pauvreté. Il y a les exemples qu'a cités Margaret. Les syndicats, qui sont traditionnellement en faveur des pauvres et des démunis, du développement social, ainsi que les travailleurs sociaux, constituent une coalition qui est en faveur de ce genre de traitement préférentiel des pauvres. Ce sont eux qui nous inquiètent avant tout. L'assurance-santé a été instaurée à leur intention et la spirale inflationniste en augmente régulièrement le pourcentage. Nous sommes en effet très en faveur de ce genre d'approche qui ferait à mon avis preuve de beaucoup plus d'imagination. Il y a probablement une foule de gens qui n'en ont pas besoin et qui utilisent probablement cet argent pour leur bon plaisir. Cependant, lorsqu'on tient compte du bien commun, il s'agit peut-être d'une excellente idée dans le cas des allocations familiales.

**Mme Vowles:** Permettez-moi de dire que dès que l'on impose un examen des moyens, ces chèques d'allocations familiales ou de pension de vieillesse sont accompagnés d'un certain préjugé. Les prestataires doivent passer à la caisse au supermarché et chacun sait alors qu'ils sont au bas de l'échelle. Si nous ne faisons pas disparaître ces préjugés, nous retournons en arrière. Vous savez ce que je veux dire. Il s'agit là d'un préjugé qu'il ne faut pas permettre.

**M. Thacker:** M<sup>me</sup> Vowles, je crois que c'était correct lorsque ces programmes ont été lancés et qu'il fallait vraiment présenter une demande. C'était dégradant. Cependant, lorsque l'on a recours au régime fiscal et aux déclarations d'impôt présentées, c'est beaucoup moins dégradant. Nus le faisons dans le cas du crédit d'impôt pour enfants.

Ce qui m'amène à ma dernière question sur laquelle j'aimerais avoir vos commentaires. Je veux parler de l'élimination des programmes de bien-être, de la sécurité de la vieillesse et des allocations familiales pour remplacer tout cela par ce qu'on appelle généralement un impôt négatif . . .

**Mme Vowles:** Je serais en faveur de cela.

**M. Thacker:** . . . qui concentre alors tout à Ottawa par le biais de votre déclaration d'impôt. On échappe alors à tous les conflits fédéraux-provinciaux parce que tous ces accords disparaissent. Que pensez-vous de ce concept?

**M. Steven Jelly (secrétaire, Association canadienne des consommateurs):** Je vais faire une brève observation à ce sujet puis je vais revenir à une de vos observations précédentes parce



## [Texte]

are interrelated. As to the proposition that you are putting forward, it is to use the tax system to implement transfers, largely, I guess, a redistribution of income in one sense. It has some merit because it is, in a sense, more progressive, especially if you are dealing with a situation such as the reality of extra billing. We have a situation where, I believe, the health minister stated that the cost of extra billing to individual Canadians is \$15 million, and \$6 million of that, I believe, came from Ontario. That amount of money is largely taken from any individual who has to go to a doctor who extra-bills, whereas if that \$50 million were paid for by that government, collected through the tax system, obviously it would be collected in a higher proportion from the people with the best ability to pay and in a lower proportion from the people who cannot.

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On that aspect of it, I do not believe there is any question we would support it, in the sense that individuals should not have pay for those services, as individuals, when they apply for the service or when they need the service. If you are sick and you have to go to a doctor who has opted out and pay an extra \$5 or \$100, it is irrelevant which of those amounts it is, it is still an inconvenience for some people but a substantial hardship for other people. It clearly should come out of the general pot rather than the individual's pocket. When you look at some of these other programs, where you have proposed that the universal aspect, such as baby bonuses and so on, be eliminated in favor of an income tax-based transfer, such as the child tax credit, you have a situation in which those people who depend, perhaps, on the money, and depend on the money on a monthly basis, will not get it until three months after a year have passed, at the end of the duration, unless it is paid in advance. You do get into the means-test criterion, perhaps, and it is somewhat arbitrary.

I just make that comment and leave it with you.

**Mr. J. MacDonald:** I should say that as we pointed out initially, the widespread and diverse groups which came together to form this coalition came together to save medicare, and recognizing the shortcomings in the system, however, great a social program it is, to improve the health care system; to make it more cost effective. So our positions are on medicare, very largely. We have not, as a group, gone into detailed consideration of related programs, but member organizations of the coalition have taken positions on matters such as those you have raised, and on the negative income tax.

The labour movement, depending on how the negative income tax is defined and how it is applied, has tended to be in favour of it, together with the guaranteed annual income. We had been advocating that over the years, but it seems to have faded into nothingness in the last several years. Whether or not the recommendations from your task force will succeed in reviving it, we do not know. What we do know is that the universality of social programs is a very important consideration and the tax system exists to tax back the surplus some

## [Traduction]

que les deux aspects sont liés. En ce qui concerne votre proposition qui consiste à recourir au régime fiscal pour effectuer des transferts, je suppose qu'il s'agit en grande partie d'une redistribution du revenu dans un certain sens. Cette proposition a certains avantages parce qu'elle est plus progressive, surtout dans une situation réelle comme la facturation supplémentaire. Nous avons ici un cas où le ministre de la santé a déclaré que la facturation supplémentaire coûtait aux Canadiens 15 millions de dollars, dont \$6 millions en Ontario, sauf erreur. Cet argent provient en grande partie de tout individu qui a dû rendre visite à un médecin qui facture ses clients alors que si les 50 millions de dollars étaient payés par le gouvernement, perçus par le biais des impôts, il est évident que cet argent serait perçu dans une proportion plus élevée chez les gens les plus capables de payer et dans une proportion moindre chez ceux qui ne le peuvent pas.

A cet égard, il ne fait aucun doute, que nous serions en faveur de ce système, en ce sens que des particuliers ne devraient pas avoir à payer ces services en tant que particuliers lorsqu'ils en font la demande ou qu'ils en ont besoin. Si vous êtes malade et si vous devez vous rendre chez un médecin désengagé et payer \$5 ou \$100 de plus, peu importe le montant, cela en incommoder quand même certains, mais constitue un obstacle majeur pour d'autres. Ce montant devrait de toute évidence provenir de la caisse générale plutôt que de la poche du particulier. Dans le cas de certains autres programmes, comme les allocations familiales, par exemple, dont vous avez proposé de faire disparaître l'universalité en faveur d'un transfert fondé sur les impôts sur le revenu, comme dans le cas du crédit d'impôt à l'enfant, vous vous retrouvez dans une situation où ceux qui ont besoin peut-être de cet argent ne l'obtiendront que trois mois après la fin d'une année, à moins que ces sommes ne soient versées d'avance. Vous vous engagez dans l'examen des moyens qui est quelque peu arbitraire.

Je vous laisse sur cette observation.

**M. J. MacDonald:** Je devrais dire que, comme nous l'avons signalé au début, les divers groupes qui ont formé cette coalition se sont rassemblés pour sauver l'assurance-santé et pour améliorer et rentabiliser davantage le régime de soins de santé, car ils reconnaissent les lacunes du système même s'il s'agit d'un grand programme social. Nous nous prononçons donc surtout sur l'assurance-santé. En tant que groupe, nous n'avons pas fait d'étude détaillée des programmes connexes, mais des organismes membres de la coalition ont pris position sur des questions comme celles que vous avez soulevées sur celle de l'impôt négatif.

Tout dépend de la définition et de l'application de l'impôt négatif, mais les syndicats ont tendance à être en faveur d'un tel régime ainsi que du revenu annuel garanti. Nous préconisons un tel régime depuis des années, mais il semble avoir sombré dans l'oubli depuis quelques années. Nous ne savons pas si vos recommandations réussiront à la ranimer. Nous savons cependant que l'universalité des programmes sociaux est très importante et que le régime fiscal sert à récupérer le surplus de certaines personnes à revenus élevés qui, comme

*[Text]*

people in higher income categories would have; people who, as you say, do not deserve it or should not get it. But if you take any other route, then you are going to be unable to avoid the demeaning means test.

**Mr. Thacker:** My last one is a comment. I do not think I said they did not deserve it, particularly; but there is an element of luck.

Thank you, Mr. Chairman.

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** I just wanted to ask you two or three questions, and that is all. I want to point out that tax expenditures—I am looking at the list of your people who belong to this coalition, and knowing a number of the tax expenditures, I could almost name a tax expenditure which is particularly relevant to each one of the groups supporting your organization. One of our problems is when people suggest tax expenditures and we take a list of groups, we invariably find out that they say, oh, yes, but do not touch us. I think, Mr. MacDonald, you will appreciate the dilemma we are in when people suggest revenue increases from tax expenditures or tax allowances—increased taxes is what it amounts to.

**Mr. J. MacDonald:** Equitable treatment would be the operating principle.

**Mr. Blenkarn:** Well, of course, the question is that all the people believe they are getting equity because of these allowances, and when you change the allowances they perceive that they are not getting equity. So it is a question of equitable in whose eyes.

**An hon. Member:** Equitable oppression.

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**Mr. Blenkarn:** You declare in your brief that Canada has established one of the best health care systems in the world, and then you organized a group to save medicare. Where do you perceive that there has been any real damage to medicare since the established programs financing? I want to point out to you that extra billing, over billing, balanced billing, all took place prior to 1977—in many cases to the same extent if not more prior to 1977, on the statistics we have—opting out certainly did, health insurance premiums certainly did, the whole thing was put together with that. Where do you see that there has been such a massive change in that since 1977?

**Mr. P. Johnston:** I am not sure of the statistics that you are quoting from, Mr. Blenkarn. I guess we are basing most of our argument on the 1979 report of Mr. Justice Hall, where he inferred that, in fact, since 1977 there has been an increase in those practices and that such practices are clearly violations of some of the principles of medicare. Also, there is an increasing amount of evidence to suggest that we are nowhere near 95 per cent or 99 per cent coverage of all the people in some provinces that charge premiums. That, again, is a great violation if, in fact, that is true. There have been studies done of community clinics in Toronto, for example . . .

*[Translation]*

vous le dites, ne méritent pas ces prestations ou ne devraient pas les obtenir. Si vous adoptez un autre moyen, quel qu'il soit, vous serez alors incapable d'éviter l'examen dégradant des moyens.

**M. Thacker:** Une dernière observation. Je ne crois pas avoir dit que ces gens ne les méritaient pas. Il y a cependant un élément de chance.

Je vous remercie, monsieur le président.

**Le président:** Monsieur Blenkarn.

**M. Blenkarn:** J'ai seulement deux ou trois questions. Je voudrais simplement signaler que les dépenses fiscales—en jetant un coup d'œil sur la liste des membres de cette coalition et comme je connais un certain nombre de dépenses fiscales, je pourrais presque en nommer une qui serait particulièrement pertinente à chacun des groupes qui appuient votre organisme. Un des problèmes, c'est que lorsqu'on parle de dépenses fiscales et que l'on prend une liste de groupes, on constate inévitablement que ceux-ci sont d'accord, mais à condition qu'on ne les touche pas. Je crois, monsieur MacDonald, que vous comprendrez le dilemme auquel nous sommes confrontés lorsque certains suggèrent d'augmenter les revenus par le biais des dépenses ou des allocations fiscales, ce qui représente une augmentation des impôts.

**M. J. MacDonald:** Il faudrait fonctionner selon le principe de l'équité.

**M. Blenkarn:** Bien sûr, le problème, c'est que tous les gens croient qu'il y a équité à cause de ces allocations et lorsqu'on les modifie, ils croient qu'il n'y a plus d'équité. Tout dépend de celui qui est en cause.

**Une voix:** Oppression équitable.

**M. Blenkarn:** Vous dites dans votre mémoire que le Canada a créé un des meilleurs systèmes de santé au monde, puis vous avez organisé un groupe pour sauver l'assurance-santé. Où croyez-vous qu'il y a eu érosion véritable de l'assurance-santé depuis l'instauration du financement des programmes établis? Je vous signale que la facturation supplémentaire, excédentaire ou équilibrée, tout cela a eu lieu avant 1977 . . . Dans bien des cas, cela s'est produit au même degré sinon davantage qu'en 1977 d'après les statistiques que nous avons. C'est aussi le cas du désengagement, des primes d'assurance-santé. Où croyez-vous qu'il y a eu des changements aussi importants depuis 1977?

**M. P. Johnston:** Je ne suis pas certain des chiffres que vous citez, monsieur Blenkarn. Je crois que nous fondons la majeure partie de notre augmentation sur le rapport de 1979 du juge Hall. Il a alors affirmé que ces pratiques avaient augmenté depuis 1977 et qu'elles enfreignent clairement certains des principes de l'assurance-santé. En outre, de plus en plus de faits semblent révéler que nous sommes bien loin des 95 ou 99 p. 100 de couverture de toute la population de certaines provinces qui perçoivent des primes. Il s'agit là encore d'une fraction importante si c'est vrai. On a procédé à des études de cliniques communautaires à Toronto, par exemple . . .



[Texte]

**Mr. Blenkarn:** We asked the Minister of Health in Ontario that very question. It would be impossible to know, but he says that it must be at least 95 per cent to 99 per cent. He says he does not see any cases of people not covered, and if they are covered he arranges it.

**Mr. P. Johnston:** We have seen, on the other hand, studies done of community clinics where only 80 per cent of the people have coverage. That concerns us as well. So there is growing evidence to suggest that many of these problems that are affecting the medicare system, and the health care system generally, have occurred since 1977. I am not going to suggest that they have all cropped up since then and that there were not some problems in the system before then. We think, though, there is good evidence to make some kind of causal link between that approach to the funding of health care and some of the problems that we are concerned about now.

**Mr. Blenkarn:** Take in the Province of Ontario, there have been health insurance premiums since the beginning of medicare in Ontario. The premiums have perhaps increased, but so have a lot of other things, certainly they have not increased in proportion to the GNP, I do not think. There has been opting out since the beginning of medicare in Ontario. We are told that there are about 1,000 doctors in Ontario who never did belong, and refuse to belong—they have never belonged, never want to belong. There is apparently a situation where we had 17 per cent opted out and it is now down to 15 per cent. There has been an increase in fees, and we have been approached by people who have suggested to us that the opting out operates a sort of a fuse; it allows a bit of bargain to take place between the doctors and the medicare people in the provinces, so that when there is dissatisfaction doctors opt out, as in Prince Edward Island where 55 per cent opted out at one point and it is now down to 4.5 per cent. This allows a certain amount of bargaining back and forth to keep the fees in line, but at the same time it allows a certain amount of freedom of activity. What is your view on that particular aspect of opting out?

**Mr. P. Johnston:** I want to make one quick comment and then I think Mr. MacDonald is going to too. I think there is a danger in quoting those kinds of statistics, 17 per cent to 15 per cent, because that, of course, is a total figure of all doctors. What we have found in the last year or so is that although in terms of the total number of doctors there may have been a decrease in the number of opting out doctors, there has been an increase in the number of specialists who have opted out. So if you live in a community where there are three specialists and they have all opted out, that is a 100 per cent opting out rate, and the fact that the total overall percentage is only 15 per cent is really little consolation.

I think, Jim, you had some comments.

**Mr. J. MacDonald:** Since this became an issue I must have had 30 letters from doctors who have said to us, "You people were largely responsible for getting medicare, for God's sake do not let it go down the tube—but please do not use my name." There is very evident peer pressure in the profession that scares the hell out of some of the doctors about taking a dissident position from that of their associations. We are in full support of the Quebec model, where it the doctor is going to be

[Traduction]

**M. Blenkarn:** Nous avons posé la même question au ministre de la Santé de l'Ontario. Il est impossible de le savoir, mais il affirme qu'au moins 95 à 99 p. 100 de la population est assurée. Il affirme ne pas connaître de cas de personnes non assurées. Si elles le sont, il arrange tout.

**M. P. Johnston:** Par ailleurs, certaines études de cliniques communautaires ont révélé que 80 p. 100 seulement des gens étaient couverts. Cela nous inquiète aussi. De plus en plus de faits semblent donc démontrer qu'un grand nombre de problèmes qui affectent le régime d'assurance-santé et le régime de soins de santé en général ont surgi depuis 1977. Je ne veux pas dire qu'ils ont tous surgi depuis et qu'il n'y en avait pas auparavant. Nous croyons cependant qu'il y a suffisamment de preuves pour nous permettre d'établir un lien de cause à effet entre cette approche du financement des soins de santé et certains des problèmes qui nous inquiètent à l'heure actuelle.

**M. Blenkarn:** L'Ontario perçoit des primes d'assurance-santé depuis l'instauration du régime. Les primes ont peut-être augmenté, mais c'est aussi le cas de beaucoup d'autres choses. Elles n'ont certainement pas augmenté proportionnellement au PNB. Des médecins se sont désengagés depuis les tous débuts du régime en Ontario. On nous dit qu'environ 1,000 médecins ontariens n'ont jamais appartenu au régime et refusent d'y adhérer. Il semble que ceux-ci représentaient 17 p. 100 des médecins et que ce chiffre est maintenant baissé à 15 p. 100. Les honoraires ont augmenté et certains nous ont dit que le désengagement déclenche en quelque sorte un genre de fusible. Il permet aux médecins de négocier avec les gens de l'assurance-santé. En cas d'insatisfaction, les médecins quittent le régime comme cela s'est produit à l'Île-du-Prince-Édouard, où 55 p. 100 des médecins ont quitté le régime à un moment donné. Ce chiffre est maintenant baissé à 4.5 p. 100. Une telle situation permet un certain marchandage pour limiter les honoraires, mais elle permet en même temps une certaine liberté d'action. Que pensez-vous de cet aspect particulier du désengagement?

**M. P. Johnston:** Je vais faire une brève observation et je crois que M. MacDonald a aussi quelques mots à ajouter. Je crois qu'il est dangereux de citer de tels chiffres parce que cela représente bien sûr le total de tous les médecins. Depuis à peu près un an, nous avons découvert que même si, par rapport au nombre total de médecins, celui des médecins désengagés a diminué, celui des spécialistes désengagés a par contre augmenté. Ce qui fait que si vous vivez dans une localité où il y a trois spécialistes tous désengagés, vous avez un taux de désengagement de 100 p. 100. Le fait que le taux global de désengagement n'atteint que 15 p. 100 est vraiment piètre consolation.

Jim, je crois que vous aviez quelques observations.

**M. J. MacDonald:** Depuis que cette question a été soulevée, je dois avoir reçu 30 lettres de médecins qui nous ont affirmé que nous étions en grande partie responsables de l'instauration de l'assurance-santé et qu'il ne fallait pas laisser tomber le régime... Ils nous demandaient cependant de préserver leur anonymat. Les membres de la profession sont soumis à des pressions très évidentes de leurs pairs, ce qui effraie quelques médecins et les empêche de prendre une position différente de



[Text]

nonparticipating—which is the term they are using—then the doctor gets no recompense from provincial medicare nor does the patient whom that doctor services. That is the model that we support and that was the situation that very largely applied before the April 1, 1977 change away from conditional cost sharing. We want to return to that, or something that will have the same effect, so that we do not have a patchwork system. We do not support the premium system. Canadians pay for it in their taxes in Nova Scotia as they do in British Columbia, and it is interesting that it is the three wealthiest provinces that charge premiums. Indeed, we have had representations to us recently from the Yukon, where the premiums have gone up, and they are starting up there to form a coalition to affiliate with our group.

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**Mr. Blenkarn:** I am interested in that. I did a bit of a survey in my riding, as members always do, and a very few have replied so far, but on the basis of 500 replies 73 per cent are happy with OHIP premiums as part of the tax system—because it really is a tax system, is it not?

**Mr. J. MacDonald:** As part of the tax system, but not as an extra charge through a premium and an additional charge from a doctor who has opted out and is engaging in extra billing.

**Mr. Blenkarn:** I appreciate that. But the premium in Ontario is a form of taxation and there were historical reasons, for it, as I think you appreciate, Dr. MacDonald.

**Mr. J. MacDonald:** I remember when John Robarts proclaimed, at the advent of medicare, that medicare would only come into Ontario over his dead body, and when he found out about the accrual in Ottawa for the Province of Ontario, he did not die, but he brought it in.

**Mr. Blenkarn:** Yes. That is all I wanted to ask.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Mr. Chairman, I apologize for not being here for the whole presentation. I believe, though, we have to be very impressed by the organizations that the Canadian Health Coalition represents. I remember about a year ago this time being in Fredericton for a similar meeting of your New Brunswick organization, when they had representatives of their own organizations, the provincial government, the federal government. I was then Parliamentary Secretary to the Minister of National Health and Welfare. I remember discussing with those various people in Fredericton their concerns, similar concerns to those that you are bringing to us here a year later. I think when you represent such diverse groups as many of our churches, agriculture, labour, women's groups, seniors' groups, and all the other groups that you have here in your appendix we have to be impressed with the background and the support

[Translation]

celle de leur association. Nous appuyons entièrement le modèle du Québec qui prévoit que si le médecin est non participant—c'est l'expression qu'ils utilisent—alors celui-ci ne reçoit rien du régime provincial d'assurance-santé, pas plus que le patient qu'il reçoit. Nous appuyons ce modèle et telle était la situation qui prévalait dans une très grande mesure avant le 1<sup>er</sup> avril 1977, date où l'on a abandonné le partage des coûts conditionnel. Nous voulons revenir à cela ou à quelque chose qui aura le même effet, afin d'éviter d'avoir un système disparate. Nous ne sommes pas en faveur du système des primes. Les Canadiens paient par le biais de leurs impôts en Nouvelle-Écosse comme en Colombie-Britannique et il est intéressant de constater que ce sont les trois provinces les plus riches qui perçoivent des primes. En fait, nous avons récemment reçu des instances du Yukon, où les primes ont augmenté, et les gens là-bas commencent à former une coalition pour s'affilier à notre groupe.

**M. Blenkarn:** Cela m'intéresse. Comme tout député, j'ai fait quelques enquêtes dans ma circonscription et j'ai eu très peu de réponses jusqu'à maintenant, mais si l'on se fie aux 500 réponses reçues, 73 p. 100 des répondants sont satisfaits des primes OHIP qui font partie de notre régime fiscal—parce qu'il s'agit en réalité d'un régime fiscal, n'est-ce pas?

**M. J. MacDonald:** Dans le cadre du régime fiscal, mais pas sous forme d'impôt supplémentaire perçu par le biais d'une prime et d'un compte supplémentaire reçu d'un médecin qui s'est désengagé du régime et se livre à la facturation supplémentaire.

**M. Blenkarn:** Je comprends. La prime perçue en Ontario constitue cependant une forme d'imposition et il y avait des raisons historiques à cela, comme vous le comprenez sans doute, monsieur MacDonald.

**M. J. MacDonald:** Je me rappelle que lorsque John Robarts a déclaré, lors de l'avènement de l'assurance-santé, qu'il faudrait lui passer sur le corps pour instaurer le régime en Ontario et que lorsqu'il a découvert le montant accumulé à Ottawa pour la province de l'Ontario, il n'en est pas mort, mais il l'a accepté.

**M. Blenkarn:** En effet. C'est tout ce que je voulais savoir.

**Le président:** Monsieur Weatherhead.

**M. Weatherhead:** Monsieur le président, je m'excuse de n'avoir pas pu assister à l'exposé au complet. Je crois cependant que nous devons être très impressionnés par les organismes représentés par la Canadian Health Coalition. Il y a environ un an, j'étais à Fredericton pour une réunion semblable de votre organisme du Nouveau-Brunswick. Il y avait des représentants de leurs propres organismes, des gouvernements provincial et fédéral. J'étais alors secrétaire parlementaire du ministre de la Santé nationale et du Bien-être social. Je me suis entretenu avec ces gens de leurs intérêts, qui ressemblent à ceux que vous nous présentez ici un an plus tard. Lorsque vous représentez des groupes aussi diversifiés qu'un grand nombre de nos églises, les agriculteurs, les syndicats, les groupes de femmes, les personnes âgées et tous les autres groupes dont la liste figure à l'appendice, nous devons être impressionnés par

## [Texte]

that you have from very divergent groups in our society, and I am quite sympathetic in general to your brief.

I wonder, pursuant to Mr. Thacker's comments on the negative income tax, with all respect, if you do not view it as somewhat of a simplistic solution to our welfare and other problems in this country. One of the witnesses, Mr. Chairman, mentioned that we have to have a cash flow coming in all the time. But even if we had a monthly payment on negative income tax, or a bimonthly payment or something, what would then happen if the moneys were diverted and spent by someone in the family someplace else and there was not money for social welfare—from day care to all the other welfare services that are financed partly under the CAP program at the present time? What would happen regarding post secondary education? What would happen with respect to hospitalization and paying for doctor's services and all the things that we are addressing in this committee? There is certainly some initial attraction to having one lump-sum payment going to the needy and not going to the semi-needy or the wealthy; it is kind of a seductive principle. But in actual fact—and I think you people, even though it is not your prime mandate, probably individually have some comments on it—it is something we probably should be looking at as an alternative. What is the situation if the money—no matter how much is coming in monthly say—for some reason is diverted by whomever spent the money in the family some place else and there was not the money for the services from medicare to hospitalization to social services that is required? I just wonder whether you have any comments on this general field.

• 1655

**Mr. Jelly:** Just before you get into it, one of your comments strikes me as a little off. We do not believe, any of us, I do not think, that an individual family or whatever should have to pay for doctor's services when they go to the doctor's office. There should not be any question of that occurring, in our minds, in this society at all. As far as some of the other programs are concerned, then you may be able to argue and convince the various members of the coalition that some services should not be universal. You mentioned day care as another example, with the cheque coming. At the moment, the day care structure, as far as I am aware, is jointly funded by the federal and provincial and, in some cases, municipal governments. But that is done almost exclusively, in Ontario anyway, on the basis of a means test. It is not done on the basis of any universal program.

You are combining programs that are theoretically universal such as health care and programs that are not universal such as day care. I have a problem with your question in that regard. As to the universal programs such as medicare, it is our view that no individual should have to pay when he goes to the doctor's office or the hospital, that it come out of the tax system, and our hope is that the level of funding in that system is not diminished but is increased to take care of some of the

## [Traduction]

l'appui que vous recevez de groupes très différents de la société et je suis très bien disposé en général à l'égard de votre mémoire.

A la suite des commentaires de M. Thacker au sujet de l'impôt négatif et avec tout le respect que je vous dois, je me demande si vous ne considérez pas cela comme une solution un peu simpliste à nos problèmes de bien-être et autres au Canada. Un des témoins, monsieur le président, a déclaré qu'il nous faut un cash flow régulier. Cependant, même si nous avions un versement mensuel ou bimensuel d'impôt négatif, que se produirait-il alors si quelqu'un de la famille détournait cet argent et le dépensait ailleurs et s'il n'y avait pas de fonds pour le bien-être social, dont les services varient de la garderie de jour à tous les autres services de bien-être qui sont présentement financés en partie par le régime d'assistance publique du Canada? Que se passerait-il en ce qui concerne l'éducation post-secondaire, l'hospitalisation, le paiement des services médicaux et tous les autres aspects sur lesquels le comité se penche? Au début, il est certes intéressant d'avoir un paiement forfaitaire pour ceux qui en ont besoin et de ne rien avoir pour les semi-nécessiteux ou les riches. Ce principe est assez intéressant. En réalité, cependant, et je crois que même s'il ne s'agit pas là de votre mandat principal, vous avez probablement des commentaires à titre particulier là-dessus, il s'agit là d'une solution de rechange que nous devrions probablement examiner. Que se passe-t-il si l'argent—peu importe le montant qui arrive à chaque mois, par exemple—pour une raison ou pour une autre, est détourné ailleurs par le membre de la famille chargé de le dépenser et s'il n'y avait pas de fonds pour les services sociaux qui varient de l'assurance-santé à l'hospitalisation et aux autres services requis? Je me demande simplement si vous avez des observations à faire sur cet aspect général.

**M. Jelly:** Une de vos observations me semble un peu erronée. Personne d'entre nous ne croit qu'une famille ou un particulier devrait avoir à payer quoi que ce soit pour les services d'un médecin au bureau de celui-ci. Il ne fait aucun doute pour nous que cela ne devrait pas se produire dans notre société. En ce qui concerne certains autres programmes, vous pourrez peut-être convaincre les divers membres de la coalition que certains services ne devraient pas être universels. Vous avez aussi parlé des garderies de jour. A l'heure actuelle, le système de garderies de jour est financé conjointement par le fédéral et les provinces et, dans certains cas, les municipalités. Cependant, cela se fait presque exclusivement, en Ontario du moins, à l'aide d'un examen des moyens. Ce n'est pas un programme universel.

Vous associez des programmes théoriquement universels comme l'assurance-santé et d'autres qui ne le sont pas, comme les garderies de jour. Votre question me pose un problème. En ce qui concerne les programmes universels comme l'assurance-santé, nous estimons que personne ne devrait avoir à payer quoi que ce soit au bureau d'un médecin ou à l'hôpital, que le paiement devrait être fait par le biais du régime fiscal. Nous espérons que l'on ne diminuera pas le financement de ce



[Text]

other immediate health problems of the society. That would include some of the preventive programs mentioned in our brief and elsewhere, dental care and that type of thing.

**Mr. Weatherhead:** Mr. Chairman . . .

**The Chairman:** We have another witness, Mr. Weatherhead.

**Mr. Weatherhead:** Thank you. It is not my suggestion, but one of the suggestions that has been around for a number of years is the negative income tax suggestion which Mr. Thacker brought up again this afternoon. Now, whether or not you say it should just relate to things that are still on the needs test for the CAP programs, that is fine. But even restricting it to the CAP program, I wonder if you have any comments as to whether it should be restricted just to the CAP programs and say that in terms of medicare and hospitalization there are no extra premiums at all, no extra user charges at all. We will forget about post secondary education for the moment and just go into the CAP program situation now. If we had that funded by a negative income tax situation rather than the way it is now, do you think that would be a viable situation or do you not think it would be viable?

**Mr. J. MacDonald:** Again, it depends on how the negative income tax is defined and how it is applied. During the time it was a major debate item about five or six years ago there were a number of views expressed as to the form it should take. It was not just a solidly defined concept in its application. So if the matter is to be revived again—and we would welcome its being revived again—then we would be able to make representations on it from our different organizations to make sure it was going to be an equitably applied program.

Over the years, the organizations that make up this coalition had been pressing to get medicare. When we finally got it and a coalition was indeed put together, representing not all the same but many of the same organizations, to make sure that Hall Royal Commission recommendations would be implemented, the coalition, we feel, strengthened the backbone of the government of the day to implement medicare by establishing the conditions under which cost sharing would take place. Having achieved that, unfortunately, we allowed the coalition . . . We felt it was no longer necessary because that was its sole purpose. When medicare came under threat with the introduction of the Established Programs Financing Act, the coalition was put together again in different groupings. Our prime concern is to preserve it. We know that it relates to other programs, but medicare is our prime concern. It should be available to everybody; there should be no premiums and, emphatically, no extra billing; and it should be made more cost effective by putting the emphasis on preventive care. If we get that firmly in place then the coalition is prepared to look at a variety of other social programs. Pat may want to elaborate on that.

[Translation]

régime, mais qu'on l'augmentera plutôt afin de faire face à certains des autres problèmes immédiats de santé de la société. Cela comprendrait certains programmes de prévention dont nous avons parlé dans notre mémoire et ailleurs, les soins dentaires et ainsi de suite.

**M. Weatherhead:** Monsieur le président . . .

**Le président:** Nous avons un autre témoin, monsieur Weatherhead.

**M. Weatherhead:** Je vous remercie. Cela ne vient pas de moi, mais on parle depuis un certain nombre d'années de l'impôt négatif que M. Thacker a abordé de nouveau cet après-midi. Que vous disiez ou non que cela ne devrait s'appliquer aux aspects encore prévus à l'examen des moyens effectués dans le cadre des programmes du Régime d'assistance publique du Canada, très bien. Cependant, même si on s'en tenait à ce régime, croyez-vous que cela devrait être limité aux programmes du RAPC et qu'en ce qui concerne l'assurance-santé et l'assurance hospitalisation, il ne devrait pas y avoir de prime supplémentaire ni de frais supplémentaires perçus de l'utilisateur. Oublions pour le moment l'éducation post-secondaire et parlons simplement des programmes du RAPC. Si ce régime était financé par un impôt négatif plutôt que par le système actuel, croyez-vous que ce serait viable?

**M. J. MacDonald:** Je le répète, tout dépend de la définition et de l'application de l'impôt négatif. Il y a six ans, à l'époque où on en parlait beaucoup, on a exprimé toutes sortes d'opinions sur la forme qu'il devrait prendre. Il n'y avait aucune définition précise de l'application de ce concept. Si l'on doit relancer l'affaire, ce que nous accueillerions avec plaisir, nous pourrions alors présenter les instances à ce sujet au nom de nos organismes membres afin de nous assurer que ce programme sera appliqué de façon équitable.

Au fil des ans, les organismes membres de la coalition ont exercé des pressions pour obtenir l'assurance-santé. Lorsque nous avons obtenu satisfaction et que nous avons créé une coalition représentant non pas tous les mêmes organismes, mais un grand nombre, pour nous assurer que l'on donnerait suite aux recommandations de la Commission royale d'enquête Hall, nous estimons que la coalition a poussé un peu dans le dos du gouvernement de l'époque pour l'amener à mettre en œuvre l'assurance-santé en déterminant les conditions qui régiraient le partage des coûts. Après ce succès, nous avons malheureusement laissé la coalition . . . Nous avons cru qu'elle n'était plus nécessaire parce que c'était là son seul but. Lorsque l'assurance-santé a commencé à être menacée par la présentation de la loi sur le financement des programmes établis, la coalition a été réunie de nouveau, constituée de groupes différents. Nous voulons avant tout la préserver. Nous savons qu'elle s'occupe d'autres programmes, mais l'assurance-santé constitue notre premier centre d'intérêt. Elle devrait être accessible à tout le monde, il ne devrait pas y avoir de prime et, j'insiste là-dessus, pas de facturation supplémentaire. Il faudrait rentabiliser davantage le régime en insistant sur la prévention. Si nous réussissons à obtenir tout cela, la coalition sera alors disposée à s'occuper d'autres programmes sociaux. Pat aurait peut-être quelques mots à ajouter là-dessus.



[Texte]

• 1700

**Mr. P. Johnston:** I have just one quick comment. I think that the possibility of a negative income tax or guaranteed annual income is something that a number of our organizations would be quite interested in. However, I think that possibility is a long, long way off—if it ever sees the light of day—and I think that some of the issues this task force has been mandated to look at are of greater concern to us, potential changes that may take place in the next six months. That, of course, is why we have focused our brief the way we have, and it is difficult for us to respond in any great detail to some questions like that.

**The Chairman:** Thank you very much, gentlemen and Ms. Vowles, for coming before us. I am sorry I had to be late coming in; I had another engagement. But I am sure that my distinguished colleague, the vice-chairman of the committee, effectively ran the meeting, probably better than I would have had I been here. I have read your submission. It is a very serious document and I thank you very kindly for it. It will certainly be helpful to us in the preparation of our report.

**Mr. J. MacDonald:** Thank you, Mr. Chairman. The coalition executive would consider an application for membership from your parliamentary task force to save medicare.

**The Chairman:** Well, Mr. MacDonald, you have to consider that this task force will end by mandate on June 26 or shortly thereafter. So our membership would die right off the bat.

**Mr. J. MacDonald:** We hope our coalition can end as soon as . . .

**The Chairman:** Would you not rather have permanent members who pay a fee yearly instead of an organization that dies?

Thank you very much. We will continue now with representatives from the Association of Municipalities of Ontario. I would ask them to please come forward. The representatives from the Association of Municipalities of Ontario are Ms. Marianne Wilkinson, Member of the Board of Directors, Co-Chairperson of Fiscal Policy Committee and Mayor of Kanata; Ms. Marlene Catterall, Member of the Executive Committee and Board of Directors and Alderman, City of Ottawa; Mr. William Rice, Member of Fiscal Policy Committee and Commissioner of Finance, City of Nepean; and Mr. Arthur Pope, Member of Community and Social Services Committee and Commissioner of Social Services, Regional Municipality of Ottawa-Carleton. There is another person, I believe, that I have not introduced. Ms. Wilkinson, are you the spokesperson for the group?

**Ms. Marianne Wilkinson (Member of the Board of Directors and Co-Chairperson, Fiscal Policy Committee, Association of Municipalities of Ontario):** Well, several of us are involved. The other person, Peter Clute, is the Deputy Executive Director.

**The Chairman:** Yes, I am sorry. I do have him here as Deputy Executive Director.

**Ms. Wilkinson:** Marlene Catterall will start off and then I will take over.

[Traduction]

**M. P. Johnston:** Une brève observation. Certains de nos organismes membres seraient très intéressés à la possibilité d'un impôt négatif ou d'un revenu annuel garanti. Je crois cependant que cela n'est pas près d'être réalisé—si cela se fait même un jour—et certains des problèmes sur lesquels le groupe de travail a reçu le mandat de se pencher nous inquiètent beaucoup plus. Il s'agit de changements possibles qui pourraient se produire dans les six prochains mois. Voilà bien sûr pourquoi nous avons concentré notre présentation sur certains points et il est difficile pour nous de répondre en détail à des questions comme celle-là.

**Le président:** Je vous remercie beaucoup messieurs et madame. Vowles d'être venus témoigner. Je regrette d'avoir dû arriver en retard, mais j'avais un autre rendez-vous. Je suis persuadé que mon distingué collègue, le vice-président du comité, a dirigé la séance de façon efficace et probablement même mieux que si j'avais été ici. J'ai lu votre mémoire. C'est un document très sérieux et je vous en remercie. Il nous sera sans aucun doute utile dans la préparation de notre rapport.

**M. J. MacDonald:** Je vous remercie, monsieur le président. Les dirigeants de la coalition seraient prêts à étudier une demande d'adhésion de votre groupe d'étude parlementaire afin de sauver l'assurance-santé.

**Le président:** Il ne faut pas oublier, monsieur MacDonald, que la mandat du groupe d'étude se termine le 26 juin ou peu après. Nous serions donc un membre mort-né.

**M. J. MacDonald:** Nous espérons que la mandat de notre coalition pourra se terminer aussitôt que . . .

**Le président:** Ne préféreriez-vous pas avoir des membres permanents qui paieraient une cotisation annuelle au lieu d'un organisme qui s'éteint?

Je vous remercie beaucoup. Nous allons maintenant accueillir des représentants de l'Association des municipalités de l'Ontario. Je leur demanderais de s'avancer. Les représentants de l'association son M<sup>me</sup> Marianne Wilkinson, membre du bureau de direction, co-président du comité des politiques fiscales et maire de Kanata; M<sup>me</sup> Marlene Catterall, membre du comité exécutif et du bureau de direction et conseiller, ville d'Ottawa; M. William Rice, membre du comité des politiques fiscales et commissaire des finances, ville de Nepean; et M. Arthur Pope, membre du comité des services communautaires et sociaux et commissaire des services sociaux, municipalité régionale d'Ottawa-Carleton. Il y a une autre personne que je n'ai pas présentée je crois. M<sup>me</sup> Wilkinson, vous êtes le porte-parole du groupe?

**Mme Marianne Wilkinson (membre du bureau de direction et coprésident, comité des politiques fiscales, Association des municipalités de l'Ontario):** Eh bien, nous sommes plusieurs. L'autre personne, Peter Clute, est sous-directeur exécutif.

**Le président:** Oui, je m'excuse. J'ai son nom ici comme sous-directeur exécutif.

**Mme Wilkinson:** Marlene Catterall va commencer, puis je vais prendre la relève.

[Text]

**The Chairman:** Yes. We have received a copy of your brief. You do not have to read it all for it to be on the record. We have a mechanism whereby we can append it, but it is your choice. You can summarize it if you like and we would have more time for questioning. Would you like to summarize it then and we will append it? Is that okay?

• 1705

**Ms. Marlene Catterall (Member of the Executive Committee and Board of Directors, Association of Municipalities of Ontario):** If I may, I will comment on that after a few introductory remarks, Mr. Chairman.

**The Chairman:** Well, would you rather read the brief into the record?

**Ms. Catterall:** I think, as elected representatives, we are aware of how infrequently we get to read every page of written material that is put before us and I think we would really like you to hear it all, if you do not mind.

**The Chairman:** I assure you that I read everything that comes before me at the federal level; I do not know about the municipal level. I have the capacity to read very quickly.

**Ms. Catterall:** I admire your capacity.

**The Chairman:** Go ahead; it is your choice. At the federal level we let the witnesses choose.

**Ms. Catterall:** First of all, Mr. Chairman, and members of the task force, I would like to thank you for the opportunity of appearing before the parliamentary task force on federal-provincial fiscal arrangements. J'aimerais tout d'abord vous remercier de nous fournir l'occasion de rencontrer le groupe fédéral de travail sur les accords fiscaux entre le gouvernement fédéral et les provinces.

As you have indicated, you are going to cut my introduction fairly short, having introduced all of us already. In addition to being a member of the executive committee and board of directors of the Association of Municipalities of Ontario and a member of the Municipal Liaison Committee, I am also an alderman in the city of Ottawa.

The following submission has been prepared by the Association of Municipalities of Ontario, which you will hear us refer to as AMO, in co-operation with the Association of Counties and Regions of Ontario, ACRO, and the Municipal Liaison Committee. Collectively, these groups represent in excess of 600 municipalities in the province of Ontario containing more than 8 million Canadian residents. The associations' member municipalities come from all reaches of the province, from the improvement district of Pickle Lake in the north to the township of Pelee in the south; from the city of Windsor at the U.S. border to the town of Hawkesbury at the Quebec border. Metropolitan Toronto, Ontario's most populous municipality, is a member, as is the township of Thompson with a population of 124. Le présent mémoire a été préparé par les trois associations principales des municipalités de la province de l'Ontario. Ainsi réunis, ces groupes représentent plus de 600 municipalités de la province de l'Ontario, regroupant ainsi plus de 8 millions de résidents canadiens. Les municipalités, membres de ces associations se retrouvent dans tous les secteurs de la

[Translation]

**Le président:** Très bien. Nous avons reçu une copie de votre mémoire. Vous n'avez pas à le lire au complet pour le verser au compte-rendu. Nous avons la possibilité de l'imprimer en appendice, mais c'est à vous de choisir. Vous pouvez le résumer si vous le voulez et nous aurions plus de temps pour les questions. Voudriez-vous le résumer et nous l'imprimerons en appendice? Cela vous va?

**Mme Marlene Catterall (membre du comité exécutif et du bureau de direction, Association des municipalités de l'Ontario):** Si vous me le permettez, je vous répondrai après quelques remarques d'introduction, monsieur le président.

**Le président:** Préférez-vous lire le mémoire au complet?

**Mme Catterall:** Comme représentants élus, nous savons qu'il est rare que nous puissions lire chaque page de document qui nous est présentée et nous aimerions vraiment vous le lire au complet si vous n'y voyez pas d'objection.

**Le président:** Je vous assure que je lis tout ce qui m'est présenté au niveau fédéral. Je ne sais pas ce qui se passe au niveau municipal, mais je peux lire très rapidement.

**Mme Catterall:** J'admire votre capacité.

**Le président:** Allez-y, c'est à vous de choisir. Au niveau fédéral, nous laissons les témoins choisir.

**Mme Catterall:** Tout d'abord, monsieur le président et membres du groupe de travail, j'aimerais vous remercier de nous fournir l'occasion de rencontrer le groupe fédéral de travail sur les accords fiscaux entre le gouvernement fédéral et les provinces. First of all, I would like to thank you for the opportunity of appearing before the parliamentary task force on federal-provincial fiscal arrangements.

Comme vous l'avez indiqué, ma présentation sera relativement brève car vous nous avez déjà tous présentés. En plus d'être membre du comité exécutif et du bureau de direction de l'Association des municipalités de l'Ontario et membre du comité de liaison municipale, je suis aussi conseiller à la ville d'Ottawa.

Notre mémoire a été préparé par l'Association des municipalités de l'Ontario, que nous appellerons AMO, en collaboration avec l'Association des comtés et des régions de l'Ontario, l'ACRO et le comité de liaison municipal. Dans l'ensemble, ces groupes représentent plus de 600 municipalités de l'Ontario qui regroupent plus de huit millions de résidents canadiens. Les municipalités membres de ces associations proviennent de tous les secteurs de la province, du district d'amélioration de Pickle Lake dans le nord jusqu'au canton de Pelee dans le sud; de la ville de Windsor à la frontière américaine jusqu'à celle de Hawkesbury à la frontière québécoise. Le Toronto métropolitain, municipalité de l'Ontario qui a le plus haut niveau démographique, est aussi membre du groupe, au même titre que le canton de Thompson dont la population est de 124 personnes. This submission has been prepared by the three major associations of Ontario municipalities. They represent in excess of 600 Ontario municipalities containing more than 8 million Canadian residents. The associations' member municipalities come from all reaches of



## [Texte]

province, du district de Pickerel Lake au nord jusqu'au canton de Peel au sud. De la ville de Windsor à la frontière américaine jusqu'à la ville de Hawkesbury à la frontière du Québec. Le Toronto métropolitain, la municipalité de l'Ontario ayant le plus haut niveau démographique est aussi membre du groupe et au même titre que le canton de Thompson dont la population est de 124 personnes.

Presenting our submission, as you have heard, is Marianne Wilkinson, Mayor of Kanata, assisted by Bill Rice, Finance Commissioner for the city of Nepean, and Arthur Pope, Commissioner of Social Services for the Regional Municipality of Ottawa-Carleton. We have also with us, as you have heard, Peter Clute. I will turn it over now to Mayor Wilkinson.

**Ms. Wilkinson:** Mr. Chairman, I will go through it fairly quickly and try to highlight the points in here.

**The Chairman:** Would you like us to append this to our record?

**Ms. Wilkinson:** I think it should be appended, but I will run through it just to make sure that all of the points we are making are quite clear. The submission, as you will find, is hitting general points and, at the end, we would be very happy to give you examples of the situations that we are referring to in this submission.

**The Chairman:** If you are not going to read everything here, I think you should append it.

**Ms. Wilkinson:** Then I will read it, but I will go through it rather quickly, so that it is all there but does not take too long.

Ontario's municipalities recognize that under the provisions of the British North America Act, they exist solely by virtue of legislation enacted by the Legislature of the Province of Ontario. They are also aware that the municipal structures in place in Ontario differ from those in other provinces. However, municipalities across Canada have much in common.

It is municipal government that is closest to the people and therefore has a unique perspective and an important role to play within the governmental framework. Municipalities are not merely an administrative convenience, nor a buffer for the decisions of other levels of government: they are a valuable resource and a level of government which can be relied upon to deal directly with the myriad of issues of concern to our citizenry.

• 1710

Yet, while municipalities are being faced with demands for increased services, at the same time they are being confronted with an increasing inability to finance such requirements. It is this dilemma and a recognition that the fiscal arrangements under review by the task force clearly impact on the municipal sector.

A feature of the last decade has been the increasing delegation to municipalities of programs initiated by the federal and provincial governments. Recently, however, the concept of

## [Traduction]

the province, from the Pickerel Lake district in the north to the township of Peel in the south; from the city of Windsor at the U.S. border to the town of Hawkesbury at the Quebec border. Metropolitan Toronto, Ontario's most populous municipality, is a member, as is the township of Thompson with a population of 124.

Comme vous l'avez vu, notre mémoire sera présenté par Marianne Wilkinson, maire de Kanata, aidée de Bill Rice, commissaire aux finances de la ville de Nepean et Arthur Pope, commissaire aux services sociaux de la municipalité régionale d'Ottawa-Carleton. Comme vous l'avez entendu, nous avons aussi avec nous Peter Clute. Je passe maintenant la parole au maire Wilkinson.

**Mme Wilkinson:** Monsieur le Président, je vais parcourir le mémoire assez rapidement et essayer d'en exposer les points principaux.

**Le président:** Aimerez-vous que nous l'imprimions en appendice?

**Mme Wilkinson:** Je crois qu'on devrait le faire, mais je veux le parcourir rapidement tout simplement pour m'assurer que tous les points que nous avançons sont très clairs. Comme vous le constaterez, le mémoire porte sur des points généraux et, à la fin, nous serions très heureux de vous donner des exemples des situations auxquelles nous faisons allusions.

**Le président:** Si vous ne lisez pas tout, je crois qu'il faudrait l'imprimer en appendice.

**Mme Wilkinson:** Alors je vais le lire, mais plutôt rapidement afin que tout soit là mais que cela ne prenne pas trop de temps.

Les municipalités de l'Ontario reconnaissent qu'en vertu de l'Acte de l'Amérique du Nord britannique, elles existent uniquement en vertu d'une mesure législative adoptée par l'Assemblée législative de la province d'Ontario. Elles savent aussi que les structures municipales de l'Ontario diffèrent de celles d'autres provinces. Cependant, les municipalités du Canada ont beaucoup en commun.

Le gouvernement municipal est le plus rapproché du peuple et a donc un point de vue unique et un rôle important à jouer à l'intérieur de la structure gouvernementale. Les municipalités ne sont pas simplement une commodité administrative ni un tampon devant les décisions d'autres niveaux de gouvernement. Elles constituent une ressource précieuse et un niveau de gouvernement sur lequel on peut se fier pour traiter directement avec la multitude de questions qui intéressent nos citoyens.

Cependant, même si on demande de plus en plus de services aux municipalités, celles-ci ont de plus en plus de difficulté à financer ces exigences. C'est ce dilemme et la reconnaissance du fait que les accords fiscaux qu'examine le groupe d'étude ont clairement un effet sur le facteur municipal qui sont à l'origine de ce mémoire.

Au cours de la dernière décennie, de plus en plus de programmes lancés par les gouvernements fédéral et provinciaux ont été délégués aux municipalités. Cependant, le gou-



## [Text]

municipal or, indeed, provincial delivery of federally-designed and -funded programs has been questioned by the federal government. Part of this question derives from a broader constitutional-jurisdictional debate; part of it derives from the lack of visibility for the federal government when program delivery occurs without direct federal involvement.

Ontario's municipalities are concerned with the possibility that the federal government may be withdrawing from its past commitments to the province of Ontario with respect to its level of transfer payments, and in particular those for social programs, and with the effect this withdrawal will have on Ontario's local governments. A reduction in federal spending for social services will result in major tax increases or dramatically altered priorities at the provincial and local levels because of the critical nature of the programs involved. The federal government's action undoubtedly is partly explained by the poor performance of the economy. Inevitably, such a situation leads to pressure to reduce public expenditures and specifically those for social programs.

It is recognized and acknowledged that it is the prerogative of the federal government, as it should be for all governments, to set its priorities. Ontario's municipalities, nonetheless, are concerned that a reduction in financial transfers to the provinces will ultimately result in lower transfers to the municipalities. Coupled with increasing demands for a variety of services provided at the local level, a heavier burden will be placed upon municipalities to generate additional revenue from their property taxpayers.

Property tax should not be used as a device for income redistribution. It cannot reasonably be expected to produce sufficient resources in an equitable manner to fund large-scale public programs. For this reason, the municipal sector does not believe that the use of the property tax for income redistribution to be either just or reasonable. This point has been made repeatedly in such documents as *Puppets on a Shoestring: The Effects on Municipal Governments of Canada's System of Public Finance*, produced by the Canadian Federation of Mayors and Municipalities in 1976, and more recently in *Municipal Government in a New Canadian Federal System*, the report of the Resource Task Force on Constitutional Reform, Federation of Canadian Municipalities, Ottawa, 1980. The same reports have consistently advocated the need for municipalities to have access to other sources of revenue.

It is, therefore, recommended: one, that the task force acknowledge that reduced federal-provincial transfers will result either in the necessity to increase provincial and local taxes in order to maintain existing social service levels or dramatically altered provincial and local spending priorities; two, that the task force acknowledge the severe limitations of the property tax system as a source of revenue for the provision of social services; and three, that the task force support

## [Translation]

vernement fédéral remet depuis quelque temps en question le concept de la prestation par les municipalités ou par les provinces de programmes conçus et financés au niveau fédéral. Cette question découle en partie d'un débat plus général sur la Constitution et les compétences, en partie de la visibilité insuffisante du gouvernement fédéral lorsque celui-ci n'est pas impliqué directement dans les programmes.

Les municipalités de l'Ontario s'inquiètent de la possibilité que le gouvernement fédéral puisse se retirer de ses engagements antérieurs envers la province de l'Ontario en ce qui concerne le niveau des paiements de péréquation, et en particulier ceux qui s'appliquent aux programmes sociaux, ainsi que de l'effet que ce retrait aura sur les gouvernements locaux de l'Ontario. Une compression des dépenses fédérales en matière de services sociaux entraînera d'importantes augmentations de taxes ou une modification spectaculaire des priorités au niveau provincial et local à cause de la nature critique des programmes en cause. L'attitude du gouvernement fédéral s'explique en partie par la mauvaise performance de l'économie, ce qui donne inévitablement naissance à des pressions en vue de compresser les dépenses publiques et en particulier celles consacrées aux programmes sociaux.

Nous admettons que le gouvernement fédéral, comme cela devrait être le cas de tout gouvernement, a la prerogative de fixer ses priorités. Les municipalités de l'Ontario s'inquiètent néanmoins du fait qu'une réduction des paiements de péréquation aux provinces finira par entraîner une diminution des transferts aux municipalités. Si l'on ajoute à cela l'augmentation de la demande d'une gamme de services fournis au niveau local, les municipalités devront supporter un fardeau plus lourd et aller puiser des revenus supplémentaires dans les poches des propriétaires.

Il ne faudrait pas utiliser la taxe foncière comme instrument de redistribution des revenus. On ne peut raisonnablement s'attendre à ce que cela génère de façon équitable suffisamment de ressources pour financer les programmes publics sur une grande échelle. C'est pourquoi le secteur municipal ne croit pas qu'il serait juste ni raisonnable de recourir à la taxe foncière comme instrument de redistribution du revenu. On a souvent fait valoir cet argument dans des documents comme *Puppets on a Shoestring: The Effects on Municipal Governments of Canada's System of Public Finance*, publié par la Fédération canadienne des maires et des municipalités en 1976 et plus récemment dans *Municipal Government in a New Canadian Federal System*, rapport du groupe d'étude sur la réforme constitutionnelle, Fédération canadienne des municipalités, Ottawa, 1980. Les auteurs de ces rapports soutiennent que les municipalités ont besoin d'autres sources de revenu.

On recommande donc, premièrement que le groupe d'étude reconnaisse que la diminution des transferts fédéraux-provinciaux entraînera soit une augmentation des taxes provinciales et locales afin de maintenir les services sociaux existants, soit une modification spectaculaire des priorités de dépenses aux niveaux provincial et fédéral. Deuxièmement, le groupe d'étude devrait reconnaître les limites du régime de la taxe foncière comme source de revenu pour la prestation de services

*[Texte]*

municipal access to sources of revenue other than that provided by the property tax.

Within the Canadian federal system there is clearly the need for a delineation among the three levels of government of responsibilities for program formulation, funding and delivery.

The crucial importance of federal responsibility derives from the fact that few provincial governments will have the resources to fund the programs that will be needed in the 1980s. The abolition or reduction of federal funding would lead to increasingly inequitable standards in the provision of services across the country. Past federal initiatives have been highly successful at improving the quality of services for Canadians. To reverse this trend would clearly constitute a backward step for Canadian society.

The provincial responsibility in the provision of services should complement, as much as possible, the federal initiatives. This should include the provision of additional funding where necessary and feasible, the direct administration of some programs, the development of other programs where municipal or voluntary action is not possible, and the facilitation of municipal initiatives.

Municipal responsibility with respect to social service programs should be in the area of delivery. It must be recognized that delivery of these programs usually is most sensitive when it is carried out by the level of government closest to the people. Municipalities would be the most effective in this regard with their intimate relationship with the user group. In addition, the last 20 years have seen the development in municipalities of staff expertise and, in many instances, sophisticated systems for delivering federal and provincial government programs.

The provision of social service programs in Ontario in the 1980s and beyond should be built on appropriate intergovernmental roles. The federal government must retain a key funding role reflecting its financial resources and over-all responsibility in order to avoid national inequalities. Provincial governments will have a vital role in administration, the setting of standards, the co-ordination of programs and, where appropriate, complementary funding. Municipal governments should generally continue to deliver these programs.

It is, therefore, recommended, number four, that the task force acknowledge that the transfer system must recognize federal, provincial and municipal responsibilities, particularly with respect to social services.

The consultative process: Ontario's municipalities strongly believe there is a need for trilevel consultation among the federal, provincial and municipal levels of government with

*[Traduction]*

sociaux. Troisièmement, le groupe d'étude devrait appuyer les municipalités qui veulent avoir accès à des sources de revenu autres que la taxe foncière.

A l'intérieur du système fédéral canadien, il est clair qu'il faut délimiter les responsabilités des trois niveaux de gouvernement en ce qui concerne la formulation, le financement et la prestation des programmes.

L'importance cruciale de la responsabilité du gouvernement fédéral découle du fait que très peu de gouvernements provinciaux auront les ressources nécessaires pour financer les programmes nécessaires au cours des années 1980. L'abolition ou la compression du financement fédéral donnerait naissance à des normes de plus en plus inéquitables de prestation des services à travers le pays. Les initiatives passées du gouvernement fédéral ont très bien réussi à améliorer la qualité des services offerts aux Canadiens. Si l'on renverse cette tendance, la société canadienne fera de toute évidence un pas en arrière.

La responsabilité des provinces en matière de prestation des services devrait compléter dans la mesure du possible les initiatives fédérales. Cela devrait comprendre un financement supplémentaire lorsque c'est nécessaire et possible, l'administration directe de certains programmes, l'élaboration d'autres programmes lorsqu'il est impossible de recourir aux municipalités ou aux bénévoles, et la facilitation des initiatives municipales.

Les municipalités devraient être responsables de la prestation des programmes de service social. Il faut reconnaître que la prestation de ces programmes est habituellement très délicate lorsqu'elle est assurée par le niveau de gouvernement le plus rapproché du peuple. Les municipalités seraient les plus efficaces à cet égard, compte tenu de leurs relations intimes avec les usagers. En outre, nous avons constaté au cours des 20 dernières années une amélioration au niveau de la compétence du personnel des municipalités ainsi que, dans bien des cas, l'établissement de systèmes perfectionnés permettant de mettre en œuvre des programmes fédéraux et provinciaux.

Il conviendrait, pour assurer la prestation des programmes de services sociaux en Ontario, au cours des années 1980 et après, de définir les fonctions des différents paliers de gouvernement concernés. À ce titre, le gouvernement fédéral doit garder son rôle clef de bailleur de fonds, conformément à ses ressources financières et à sa responsabilité globale afin d'éviter les disparités au niveau national. Les gouvernements provinciaux auront un rôle essentiel à jouer dans d'autres domaines: ce sont eux qui seront chargés d'administrer et de coordonner les programmes, d'établir les normes et, le cas échéant, de fournir des fonds complémentaires. En général, ce sont les gouvernements municipaux qui devraient continuer à assurer la prestation de ces programmes.

Quatrièmement, il est donc recommandé que le groupe de travail admette que le système de péréquation des fonds doit tenir compte des responsabilités des gouvernements fédéral, provinciaux et municipaux, notamment dans le domaine des services sociaux.

Le processus de consultation: Les municipalités de l'Ontario estiment que la consultation est indispensable aux trois paliers de gouvernement, soit au niveau fédéral, provincial et municipi-



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respect to development, implementation, termination and funding of programs delivered at the local level.

The last decade has seen a number of federal programs which have come and gone with alarming speed. The Federal Land Assembly Program, for example, was abruptly and unilaterally withdrawn in 1978 after a period of only a few years. Some municipalities were caught by the federal withdrawal with funding support for land acquisition but not for servicing. A more recent and much more significant example of unilateral federal action was the termination of the Community Services Contribution Program. This will leave municipalities unable to implement necessary public works and housing programs, resulting in loss of job-generating activity and increased unemployment. Regrettably, the cancellation of CSCP can, in part, be viewed as a federal measure designed to draw attention to its prerogative to terminate programs it has initiated.

Not only are municipalities concerned about unilateral program abandonment, but also with possible implementation of new initiatives in the absence of any consultation with the municipal sector. Such new endeavours tend to supplant not one but a number of former programs. It has become commonplace for the federal government to suggest one-program solutions in an attempt to address a number of not totally related problems. Recent pronouncements regarding a national shelter allowance program are one example of this. It is unlikely that one, all-encompassing, universal program of this nature would have the flexibility to address the diversity of needs that exists and to ensure the sensitivity to these needs that is possible at the municipal level.

Municipalities are not opposed to change. The emphasis, however, should be on an orderly transition rather than disruptive shifts. If new programs are required, they should be designed to meet new needs and, where applicable, to complement existing programs. They should also carry some commitment to the continued existence for a reasonable period.

The importance of trilevel consultation with respect to the development, funding and delivery of social service programs cannot be over-emphasized. Municipalities have a knowledge of the local situation which is fundamental in reviewing or revising existing programs or in designing new ones. Too often, wholesale changes have been implanted by the federal and provincial governments without consultation with the municipal level of government.

It is, therefore, recommended, number five, that the municipal level of government be consulted with respect to the development, modification, termination and funding of federal programs which impact upon local government in Canada.

*[Translation]*

pal quand il s'agit d'établir, de mettre en œuvre, de suspendre ou de financer des programmes offerts au niveau local.

Au cours de la dernière décennie, on a vu un certain nombre de programmes fédéraux apparaître et disparaître à un rythme alarmant. Le Programme de remembrement de terrains, par exemple, a été abandonné soudainement de manière unilatérale en 1978 quelques années seulement après son entrée en vigueur. Certaines municipalités se sont alors retrouvées avec des fonds leur permettant d'acheter des terrains mais non pas de les viabiliser. L'abandon du Programme de financement des services communautaires est un autre exemple récent et encore bien plus probant de la prise de décision unilatérale par le gouvernement fédéral. Dans des cas semblables, les municipalités se retrouvent dans l'incapacité d'exécuter les programmes nécessaires de travaux publics et de construction domiciliaire, ce qui entraîne la suppression d'emplois et l'augmentation du chômage. On peut malheureusement considérer que le gouvernement fédéral a choisi d'abandonner le Programme de financement des services communautaires pour montrer qu'il avait le droit de suspendre les programmes qu'il a établis.

Les municipalités s'inquiètent parce qu'elles craignent non seulement qu'on décide, de façon unilatérale, de suspendre des programmes, mais aussi parce qu'elles savent qu'il peut arriver qu'on mette en œuvre de nouvelles initiatives sans avoir pris la peine de les consulter. Ces nouveaux programmes remplacent en général, non pas un de ces programmes mais plusieurs d'entre eux. Le gouvernement fédéral a pris l'habitude de proposer de mettre en œuvre un seul programme pour répondre à un certain nombre de problèmes qui ne sont pas totalement liés. En témoignent les déclarations faites récemment au sujet du Programme national d'allocation logement. Il est peu vraisemblable qu'un seul programme de ce genre, censé tout englober, puisse posséder la souplesse voulue pour satisfaire aux besoins qui existent et pour y répondre avec toute l'attention voulue comme on peut le faire au niveau municipal.

Les municipalités ne sont pas hostiles au changement. Mais elles estiment qu'on devrait toutefois préférer une transition en douceur à des changements radicaux. Si nous avons besoin de nouveaux programmes, il faut qu'ils permettent de répondre à de nouveaux besoins et, le cas échéant, qu'ils puissent compléter les programmes existants. Il faudrait aussi que les responsables s'engagent, d'une certaine manière, à les maintenir en place pendant un laps de temps raisonnable.

On ne dira jamais assez combien il importe que les trois paliers collaborent quand il s'agit d'établir, de financer ou d'exécuter des programmes de services sociaux. Les municipalités connaissent la situation locale, ce qui est indispensable quand on se propose d'examiner ou de modifier d'anciens programmes ou d'en élaborer de nouveaux. On a vu trop souvent les gouvernements fédéral et provinciaux apporter des changements profonds aux programmes sans consulter les autorités municipales.

Par conséquent, nous recommandons donc en cinquième lieu que l'on organise des consultations au niveau municipal avant d'établir, de modifier, d'abandonner ou de financer des programmes fédéraux qui se répercutent sur les gouvernements locaux au Canada.



*[Texte]*

The Canada Assistance Plan: The financial responsibility for the provision of social service programs in the Province of Ontario is cost-shared among the federal, provincial and municipal levels of government. The involvement of the federal and provincial governments in this arrangement is determined through the Canada Assistance Plan—CAP. The restrictions imposed by the CAP agreement ultimately and directly affect provincial-municipal funding arrangements.

While municipalities in Ontario share the costs of providing social services and are the main delivery agents for these programs, they are not party to the negotiations that take place between the federal and provincial governments. In fact, they have not even been permitted to have access to the contents of the CAP agreement. The level of involvement of municipalities in the funding and delivery of social service programs makes it imperative that they be represented in the negotiation of the CAP agreement. Both the federal and provincial governments have a responsibility to ensure that municipalities are involved.

The rationale for advocating municipal representation in the negotiations is based on the two roles which Ontario municipalities have in the provision of social services. The first is that of a partner in the funding of the various programs. Ontario municipalities are required to fund 20 per cent of the cost of most social service programs. The costs of providing these services can be expected to increase given the advancing average age of Ontario's population, rising unemployment and additional demands for such services as day care. This will put an increased burden on municipalities which, unlike the federal and provincial governments that have access to more progressive forms of taxation, must rely on the property tax as their primary source of revenue.

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The federal government has the primary responsibility and the fiscal tools to deal with such national problems as inflation, unemployment, and a reduced rate of economic growth. It is these problems that have exacerbated the need for income maintenance programs. Over the years, income maintenance initiatives by the federal and provincial levels of government have left municipalities with a gradually decreasing responsibility in this area. It is time for municipalities to be relieved of their residual role in income maintenance and be allowed to concentrate on the development of an appropriate and responsive social service delivery system.

Therefore, it is recommended, number six, that the federal and provincial levels of government assume full responsibility for funding income maintenance programs.

CAP funding is transferred from the federal to the provincial level on a conditional basis. Similarly, the funds in Ontario are transferred to the municipal level in a conditional manner. This restricts the ability of municipalities to adapt the avail-

*[Traduction]*

Le Programme d'assistance publique du Canada: En Ontario, le financement des programmes de services sociaux est assuré conjointement par les gouvernements fédéral, provinciaux et municipaux. C'est le Régime d'assistance publique du Canada qui régit la participation financière respective des gouvernements fédéral et provinciaux. Les restrictions imposées par l'entente sur l'assistance publique se répercutent finalement directement sur les ententes de financement conclues entre les provinces et les municipalités.

Bien qu'elles participent au financement des services sociaux et bien qu'elles en soient le principal agent d'exécution, les municipalités ne prennent pas part aux négociations qui ont lieu entre les gouvernements fédéral et provinciaux. En fait, on ne leur a même pas permis de prendre connaissance du contenu de l'entente sur le Régime d'assistance publique du Canada. Or, étant donné leur participation au financement et à la prestation des programmes de services sociaux, il est indispensable qu'elles soient représentées à l'occasion des négociations sur l'entente relative au programme d'assistance publique. Les gouvernements fédéral et provinciaux ont chacun la responsabilité de voir à ce que les municipalités puissent participer.

Si nous demandons que les municipalités ontariennes soient représentées lors des négociations, c'est à cause du double rôle qu'elles jouent à l'égard de la prestation des services sociaux. Premièrement, elles participent au financement des différents programmes. Les municipalités de l'Ontario sont tenues de payer l'équivalent de 20 p. 100 du coût de la plupart des programmes de services sociaux. On peut s'attendre à ce que ce coût augmente, à cause du vieillissement de la population, du chômage et de l'augmentation de la demande en autres services tels que les garderies. Cela va accroître la charge financière des municipalités lesquelles tirent le gros de leurs recettes de la taxe foncière contrairement aux gouvernements fédéral et provinciaux qui, eux, ont accès à des formes plus progressives d'imposition.

C'est principalement au gouvernement fédéral qu'il incombe de s'occuper des problèmes nationaux que sont l'inflation, le chômage et le ralentissement de la croissance économique et il détient les outils fiscaux pour le faire. C'est à cause de ces problèmes qu'on a davantage besoin des programmes d'allocation revenu. Du fait des programmes que les gouvernements fédéral et provinciaux ont organisé au fil des ans dans ce domaine, on a vu les responsabilités des municipalités diminuer petit à petit à cet égard. Il est temps de les en débarrasser complètement pour qu'elles puissent se consacrer à l'élaboration d'un système de prestation des services sociaux qui réponde de manière sensible aux besoins.

Par conséquent, nous recommandons en sixième lieu que les gouvernements fédéral et provinciaux assument pleinement la responsabilité du financement des programmes d'allocation revenu.

C'est en imposant certaines conditions que le gouvernement fédéral transfère les fonds du Régime d'assistance publique aux provinces qui elles-mêmes assortissent de certaines conditions l'octroi de fonds aux municipalités de l'Ontario. Cela

*[Text]*

able funding to a particular situation. As such, services for which funding is available from the provincial and federal governments are sometimes provided as substitutes for those that are really needed but which are not funded. Municipalities are often forced to budget to maximize grants rather than to meet true local needs.

Therefore, it is recommended, number seven, that the existing federal-provincial cost-sharing arrangements associated with social services be phased out and replaced by unconditional—block—transfers for social service programs.

The other aspect of municipal involvement which is relevant is the responsibility many Ontario municipalities have for the delivery of the various social service and welfare assistance programs. Much confusion exists at the user level because of the involvement of numerous levels of government—federal, provincial, regional, and local—in the delivery of these programs. The user is confused as to which level of government to approach for assistance. Hence, an integrated system is required whereby roles and responsibilities are clarified.

Therefore, it is recommended, number eight, that an integrated system be developed which makes the delivery of social service and welfare assistance programs the responsibility of the municipal level of government in Ontario.

In summary, Ontario municipalities believe that local governments must be recognized as a true and legitimate participant in future discussions and deliberations regarding federally initiated or funded programs to be delivered through or at the local level. Co-operative federalism involving Canada's most numerous and oldest governments—its municipalities—is long overdue.

I would be glad to try to answer any questions you might have, Mr. Chairman.

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** I see that you are interested in block funding with some indication with respect to social affairs programs. Your provincial government is interested in block funding and suggested to us perhaps that they would like to treat municipalities the way the federal government treats them.

**Ms. Catterall:** That is right. We have been saying the same thing to them.

**Mr. Blenkarn:** And indeed, they may be contemplating turning more of the responsibility over to you, with of course funds to go along with it, in terms of certain CAP programs and have you administer them completely and deal through them to the federal government to collect your share. Now, the problem with CAP funding is it is not block funding, it is 50-50 cost-shared programs.

*[Translation]*

limite la faculté qu'ont les municipalités d'utiliser les fonds pour répondre à une situation particulière. Ainsi, on remplace parfois les services dont on a vraiment besoin mais pour lesquels on n'a pas d'argent, par des services des gouvernements fédéral et provinciaux. Les municipalités sont souvent obligées de préparer leur budget pour essayer d'obtenir le plus de crédits possible au lieu de chercher à satisfaire les besoins locaux réels.

Septièmement, nous recommandons donc d'abandonner progressivement les ententes fédérales-provinciales de partage des coûts des services sociaux et de les remplacer par une formule globale de financement qui ne soit pas assortie de conditions.

L'autre aspect important de la participation des municipalités, c'est le rôle important qu'elles jouent à l'égard de la prestation des divers programmes de services sociaux et de bien-être. Il existe souvent une grande confusion à ce sujet dans l'esprit des bénéficiaires, parce que la prestation de ces programmes est assurée par différents paliers de gouvernement soit fédéral, provincial, régional ou local. Les usagers qui veulent bénéficier d'un programme ne savent pas à quel palier s'adresser. Il s'impose donc d'adopter un système intégré afin de bien tirer au clair les responsabilités et rôles respectifs des instances concernées.

Par conséquent, nous recommandons, huitièmement, d'établir un système intégré en vertu duquel ce seraient les municipalités qui seraient chargées de mettre en œuvre les programmes de services sociaux et de prestations de bien-être.

En bref, les municipalités de l'Ontario estiment que l'on doit reconnaître le droit des pouvoirs publics locaux à participer à l'avenir aux délibérations et discussions concernant les programmes organisés ou subventionnés par le gouvernement fédéral et qui doivent être mis en œuvre par le biais du gouvernement local ou au niveau local. Il est grand temps de bâtir un régime de fédéralisme coopératif qui permettrait la participation des gouvernements les plus anciens et les plus nombreux au Canada, soit les municipalités.

C'est avec plaisir que j'essaierai de répondre à toute question que vous voudrez me poser, monsieur le président.

**Le président:** M. Blenkarn.

**M. Blenkarn:** Je vois que vous vous intéressez à la formule globale de financement des programmes de services sociaux. Votre gouvernement provincial s'y intéresse aussi et nous a laissé entendre qu'il voudrait peut-être agir envers les municipalités de la même manière que le gouvernement fédéral agit envers lui.

**Mme Catterall:** C'est exact. Nous leur avons dit la même chose.

**M. Blenkarn:** En effet, la province de l'Ontario songe peut-être à vous accorder plus de responsabilités et à vous allouer, bien sûr, des fonds en conséquence pour certains programmes du Régime d'assistance publique du Canada. Vous administriez ces programmes seuls et vous passeriez par elle pour obtenir l'argent qui vous revient du gouvernement fédéral. Le problème avec ces subventions c'est qu'elles ne sont pas allouées selon la formule globale de financement mais qu'elles sont versées moitié-moitié par les intéressés.



[Texte]

**Ms. Wilkinson:** We are aware of that. I think the concern we have is . . .

**Mr. Blenkarn:** Are you saying that CAP should go to a block fund?

**Ms. Wilkinson:** Yes, and we are also saying we should have two divisions: one, the income maintenance group, and the other the social services that go along with providing other types of services rather than just income.

**Mr. Blenkarn:** On income maintenance, all you look after really is municipal welfare at a regional level, do you not?

**Ms. Wilkinson:** There are two types of welfare in Ontario. One is the family benefit which is 100 per cent provincial funding, it is really 50-50. The other is general welfare benefit which is 50-30-20. We feel that one should also, because it is direct income maintenance support, be funded entirely by the two upper levels of government.

**Mr. Blenkarn:** And administered locally?

**Ms. Wilkinson:** It can be administered locally or in the same way the other is, but I think perhaps Mr. Pope could answer that best.

**Mr. Arthur Pope (Member, Community and Social Services Committee, Association of Municipalities of Ontario):** We think that income maintenance should be administered at the local level, or at least at a regional level, the one that is closest to the grass roots.

**Mr. Loiselle:** What is the first one?

**Ms. Wilkinson:** The direct income maintenance is what we are talking about. In Ontario, as I say, there are two: the family benefit is basically for long-term welfare people, and the other, the general welfare, is for usually short-term maintenance support.

**Mr. Loiselle:** Thank you.

**Mr. Blenkarn:** I understood it but the other people perhaps did not, so I am glad you explained that.

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Your feeling, though, is that the matter should be block funded. We have had attacks on block funding by people attacking us on medicare and post-secondary education, suggesting maybe tied programs, accounting programs. Are you suggesting that the CAP program be block funded by the federal government with the province or with the municipality on a long-term basis the same as the other programs are?

[Traduction]

**Mme Wilkinson:** Nous sommes au courant. Je crois que ce qui nous préoccupe, c'est . . .

**M. Blenkarn:** Proposez-vous d'accorder les crédits du régime d'assistance publique du Canada selon la formule globale de financement?

**Mme Wilkinson:** Oui et nous proposons aussi d'établir deux divisions: celle de l'allocation revenu et celle des services sociaux qui ne se contenteraient pas uniquement de verser les prestations d'allocation revenu.

**M. Blenkarn:** A ce sujet, tout ce que vous voulez en fait c'est assurer les services municipaux de bien-être au niveau régional, n'est-ce pas?

**Mme Wilkinson:** En Ontario, nous avons deux catégories de prestations de bien-être: les prestations familiales qui sont subventionnées à 60 p. 100 par la province, soit en fait moitié-moitié par les gouvernements fédéral et provinciaux et d'autre part les prestations de bien-être dont le coût est réparti respectivement à 50, 30 et 20 p. 100 entre les gouvernements fédéral, provinciaux et municipaux. Nous estimons que ce dernier programme devrait être entièrement subventionné par les deux paliers supérieurs de gouvernement parce qu'il s'agit de garantir les ressources des prestataires.

**M. Blenkarn:** Vous proposez qu'il soit administré localement?

**Mme Wilkinson:** Il peut être soit administré localement soit l'être de la même manière que l'autre, mais M. Pope serait peut-être mieux en mesure de répondre que moi à cette question.

**M. Arthur Pope (membre du comité des services communautaires et sociaux de l'Association des municipalités de l'Ontario):** Nous estimons que le programme d'allocation revenu devrait être administré au niveau local, ou du moins au niveau régional où l'on est plus près des usagers.

**M. Loiselle:** Quel est le premier?

**Mme Wilkinson:** Nous parlons de l'allocation revenu. Comme je disais, il existe deux catégories en Ontario: les prestations familiales qui sont versées en principe aux assistés sociaux chroniques et l'autre, les prestations générales de bien-être qui servent ordinairement d'allocation revenu à court terme.

**M. Loiselle:** Merci.

**M. Blenkarn:** Je suis heureux de cette explication, car si personnellement j'avais compris, ce n'était pas nécessairement le cas de tout le monde.

Vous estimez cependant que ces programmes devraient être financés selon la formule globale. Nous avons été critiqués à ce sujet par ceux qui nous ont attaqué au sujet de l'assurance-maladie et de l'enseignement supérieur. Ils proposaient de la remplacer par des programmes liés et par des programmes de décompte. Proposez-vous que le Régime d'assistance publique soit financé, à long terme, conjointement par le gouvernement fédéral et la province ou la municipalité, selon la formule globale comme c'est le cas pour les autres programmes?



[Text]

**Ms. Catterall:** We are suggesting block funding, but we are also recognizing in that the necessity for the agreements between the federal government and the province recognizing me of the difficulties you have had with some of the block-funded programs, recognizing the necessity for the terms of those agreements to not hamstringing how those programs are delivered or how they are administered by the province, but to set very clearly some standards or some indications of the level of service that the funding is being provided for.

**Mr. Blenkarn:** How would you go about block funding CAP programs? You have municipal welfare: you can have a great deal of municipal welfare or short-term assistance in one year because of, say, massive unemployment, people running out of their benefits, a whole area unemployed for a long period of time, and then the matter is corrected. How would you block fund that type of thing?

**Ms. Catterall:** Let me return to the distinction Mayor Wilkinson made between income maintenance programs and social service programs as they come under CAP. The income maintenance programs are in fact a different type of thing that we feel should be directly funded by the two senior levels of government and simply delivered through the municipalities.

Perhaps Mr. Pope might have something to add.

**Mr. Pope:** Under CAP at the moment you have two types of programs: income maintenance . . .

**Mr. Blenkarn:** Right.

**Mr. Pope:** . . . which is the mandatory program, and the social services, which are discretionary.

**Mr. Blenkarn:** Yes.

**Mr. Pope:** It is the feeling of AMO that the levels of government that can affect the economy should be responsible for the income maintenance side of it. That is the one that you are referring to that could increase dramatically in one year when the economy is down. We feel that you cannot block fund that.

However, the social services, which are the accompanying services, should be block funded to the provinces and to the regions so that they can adjust them according to local needs. I can give you an example: in this particular area, the Ottawa-Carleton area, we have an imbalance where we have an extraordinarily high level of sole support mothers who endeavour to work in the public service so we have a disproportionate need for day care when compared to the majority of the balance of the province. If we were block funded, this region could direct probably more towards day care than they might in other areas.

[Translation]

**Mme Catterall:** Nous proposons la formule globale de financement, mais nous admettons qu'il faut que les ententes fédérales-provinciales tiennent compte des difficultés que certains de ces programmes ont posé par le passé et qu'il faut que les modalités de ces ententes n'entravent pas la prestation des programmes ou leur administration par les provinces; il faut, au contraire, que ces ententes établissent des normes claires ou qu'elles précisent à quels services ces fonds sont destinés.

**M. Blenkarn:** Comment vous y prendriez-vous pour financer des programmes du régime d'assistance publique selon la méthode globale? Prenons les prestations municipales de bien-être; il est possible qu'une année, il y ait une forte demande en prestations municipales de bien-être ou en prestations d'aide à court terme parce que, par exemple, il y aurait énormément de chômeurs ou parce que les prestataires auraient épuisé toutes leurs prestations ou parce que toute une région serait touchée par le chômage pendant une longue période; supposons qu'ensuite les choses s'arrangent. Comment pouvez-vous faire face à la situation grâce à la formule globale de financement?

**Mme Catterall:** Permettez-moi de revenir à la distinction faite par M<sup>me</sup> le maire Wilkinson entre les programmes d'allocation revenu et ceux des services sociaux qui font partie du Régime d'assistance publique: Les programmes d'allocation revenu sont en fait d'un genre différent et nous estimons que ce sont les deux paliers de gouvernement supérieurs du gouvernement qui devraient en assurer le financement et les municipalités la prestation.

Peut-être M. Pope voudrait-il ajouter quelque chose?

**M. Pope:** Il existe présentement deux genres de programmes en vertu du Régime d'assistance publique du Canada: l'allocation revenu . . .

**M. Blenkarn:** C'est exact.

**M. Pope:** . . . qui est obligatoire et celui des services sociaux qui est facultatif.

**M. Blenkarn:** Oui.

**M. Pope:** L'Association des municipalités de l'Ontario estime que ce sont les paliers de gouvernement dont l'économie dépend qui devraient se charger de l'aspect allocation revenu de ces programmes. C'est en parlant de ce programme que vous avez fait remarquer que la demande pouvait augmenter considérablement une année donnée en cas de crise économique. Nous estimons qu'il n'est pas possible de financer ce programme selon la formule globale.

En revanche, ce sont les provinces et les régions qui devraient percevoir les sommes globales nécessaires au financement des programmes sociaux qui vont de pair avec ces programmes pour qu'elles puissent les adapter aux besoins locaux. A cet égard, je puis vous fournir un exemple dans cette région, celle d'Ottawa-Carleton où il existe un déséquilibre à cause du très grand nombre de mères qui sont unique soutien de famille et qui veulent travailler dans la Fonction publique; par rapport au reste de la province, nous avons donc besoin de très nombreuses garderies dans cette région. Si on nous accordait les fonds selon la formule globale, cette région pourrait

[Texte]

However, the income maintenance, as you say, goes up and down. It is like trying to predict the snowfall. The cost of that should remain the responsibility of the two senior levels of government that have the tax base to support it.

**Ms. Wilkinson:** Just following through as well, Mr. Blenkarn: one of our recommendations, which is a more long-term one, would perhaps get around that. That is number 3, where we are suggesting that the municipalities have access to sources of revenue other than property tax. That means getting involved with some source of direct taxation. If that was the case, that transfer of a source of direct taxation would in effect be the equivalent of a block fund of which the municipalities would then have the control and the ability to make their own priorities.

**Mr. Blenkarn:** You appreciate that would have to be a negotiation you would make with your province, though. That would not be within the federal competence of being able to direct a tax field to municipalities from the federal level.

**Ms. Wilkinson:** The tax field is presently in the constitution; the constitution is presently under review. I will leave it at that.

**Mr. Blenkarn:** It is presently being reviewed, but certainly not with respect to the division of powers.

**The Chairman:** The constitution of the provinces is not under review.

**Ms. Wilkinson:** The municipalities are listed in the British North America Act as a word under a list of responsibilities; but if you go back to the Federation of Canadian Municipalities brief that was presented on the constitution you will find in there—and we support the position basically—that municipalities should be recognized as a legitimate form of government, which they are not at the moment, and that they should be given some source of secure financing ability, which they do not have at the moment anywhere in Canada.

**Mr. Blenkarn:** Those are all the questions I have, Mr. Chairman.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Mr. Chairman, following along Mr. Blenkarn's questioning, I think we were all perhaps somewhat surprised at the recommendation for block funding, even though it has been a bit elaborated upon and divided in the more recent comments of the witnesses. You know, every social service group that has come before us so far—and I expect most that will come before us around the country—has not been in favour of block funding for various reasons: the increasing needs in the social service field, whether they are day care or something else and not just in the income maintenance field, which you differentiated; the increasing needs in different areas. You say you have a greater need in day care if you are in the Ottawa area.

[Traduction]

probablement allouer davantage d'argent aux garderies d'enfants plutôt qu'à d'autres secteurs.

Comme vous l'avez fait remarquer la demande en prestations d'allocation revenu fluctue énormément; c'est presque aussi compliqué que de prévoir s'il va neiger. Le coût devrait demeurer à la charge des deux paliers de gouvernement les plus élevés qui, grâce à leurs recettes fiscales, peuvent en assurer le financement.

**Mme Wilkinson:** Dans le prolongement de ce que M. Blenkarn a dit, nous avons fait une recommandation à long terme qui pourrait éventuellement régler le problème. Ainsi, en troisième lieu, nous avons préconisé que les municipalités puissent avoir d'autres recettes fiscales que la seule taxe foncière et qu'elles puissent percevoir des impôts directs. Dans ce cas, cet argent équivaldrait aux fonds provenant du financement selon la formule globale. Il serait sous le contrôle des municipalités, ce qui leur permettrait d'établir leurs propres priorités.

**M. Blenkarn:** Vous vous rendez compte que cela ne pourrait s'accomplir que par la voie de négociations avec votre province. Il ne serait pas du ressort du gouvernement fédéral de céder aux municipalités un domaine de taxation qui lui appartient.

**Mme Wilkinson:** La constitution qui traite de la perception de ces impôts fait actuellement l'objet d'une révision. Je n'en dis pas plus long.

**M. Blenkarn:** La constitution fait certes actuellement l'objet d'un réexamen mais on n'étudie certainement pas la répartition des pouvoirs.

**Le président:** La constitution des provinces n'est pas examinée actuellement.

**Mme Wilkinson:** Le terme «municipalité» figure dans une des listes de responsabilités de l'Acte de l'Amérique du Nord britannique, mais en vous reportant au mémoire sur la constitution que la Fédération canadienne des municipalités a présenté, vous constaterez que—et c'est là fondamentalement notre position—nous sommes partisans de reconnaître les municipalités en tant qu'entités légitimes de gouvernement ce qu'elles ne sont pas présentement et de leur octroyer des sources de revenu sûres ce dont aucune municipalité canadienne ne peut se prévaloir actuellement.

**M. Blenkarn:** Je n'ai pas d'autres questions, monsieur le président.

**Le président:** M. Weatherhead.

**M. Weatherhead:** Monsieur le président, comme suite aux questions posées par M. Blenkarn je dois dire que nous avons tous été surpris par la recommandation qui a été prise en faveur de la formule globale de financement bien qu'elle ait été un peu plus développée et explicitée dans les dernières interventions des témoins. En fait, tous les groupes chargés de la prestation de services sociaux qui ont témoigné jusqu'ici—et je m'attends à ce que ceux qui comparaitront devant nous aux quatre coins du pays réagissent de la même manière—tous ces groupes donc étaient opposés à la formule globale de financement et ce, pour différentes raisons: soit à cause de l'augmentation des besoins dans le domaine des services sociaux, garderies ou autres—et pas seulement dans le domaine de



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I think they are also concerned because they would sooner know that the funds were in some way going to be directed into the areas where they should be directed and not used at the discretion of any government, whether it is a provincial or a municipal government. So we are finding around the country that this is the concern of these groups, whether they are in the social service end, the hospitalization or medical care end, or the post-secondary end. They are saying—and I think I am not exaggerating—in a general way, with maybe the old exception, try to get some more direction, if possible, so the funds that you at the federal level give get to where you think they should be going and where we all think they should be going.

Here you are saying on the social service end that you would like, at the municipal level, to have the sole discretion, in effect, whether it went to day care or garbage collection or new sewers or whatever else you are responsible for. Now, you may not be saying that; but you would have, I think, the option of doing that unless you are saying that there should be some more direction or tied funding. Perhaps you would like to comment on that.

**Ms. Wilkinson:** I think it is not a technical problem. I think the problem that you just said is political. The point you said was that we all know where the funds should be going. How do you, sitting in Ottawa, know where the funds should go in a small community in Newfoundland? Do you not think the people in that community in Newfoundland would have a better idea of where to do it?

We are talking about block funding for social services; in other words, it comes in for social programs. It may be conditional for social programs but not for specific social programs. That is what we are talking about in having the flexibility. One of the biggest problems there is—and it happens at every level of government, not just the federal—is that every level of government always thinks it knows best for somebody else. That may not be—and often, in our experience, is not—the case.

**Ms. Catterall:** I think there are two aspects. I think possibly some of the response you have heard across the country, as far as you have gone, is because this discussion is taking place and your task is taking place in the context of reducing allocations of funding to the social welfare area and to social programs. It is for that reason that you are hearing the kind of response that says, please allocate funds to specific programs—because it is more difficult to cut specific programs than it is to cut block amounts of funding to a range of programs.

[Translation]

l'allocation revenu sur laquelle vous avez fait une distinction, soit à cause de l'augmentation des besoins dans différents domaines. Vous dites que les résidents de la région d'Ottawa-Carleton ont davantage besoin de garderies.

Je crois qu'ils se préoccupent aussi des modalités de financement parce qu'ils préféreraient savoir que les fonds sont destinés à des domaines où on en a besoin que d'en laisser l'emploi à la discrétion de quelque gouvernement qu'il soit provincial ou municipal. En parcourant le pays, nous nous apercevons que c'est ce qui préoccupe ces groupes, qu'ils œuvrent dans le domaine des services sociaux, de l'hospitalisation, des soins médicaux ou de l'enseignement supérieur. En général ils disent, à de rares exceptions près, et je ne crois pas exagérer: «Tâchez de faire en sorte que les directives concernant l'octroi de fonds soient plus détaillées pour être bien sûr que les octrois provenant du gouvernement fédéral servent effectivement à ce à quoi vous les destinez et à ce à quoi nous les destinons tous.»

Vous dites maintenant que, dans le domaine des services sociaux municipaux, vous voudriez qu'on vous donne toute la latitude voulue, afin de répartir vous-mêmes les fonds que ce soit pour les garderies, le ramassage des ordures, la construction de nouveaux égouts ou toute autre chose relevant de votre compétence. Ce n'est peut-être pas ce que vous voulez dire, mais vous auriez—je crois—la possibilité de le faire, à moins que vous ne proposiez qu'on vous donne plus de directives ou plus d'argent destiné à des fins bien précises. Peut-être aimeriez-vous ajouter quelque chose à ce sujet?

**Mme Wilkinson:** Je ne crois pas que ce soit un problème technique. Je crois que le problème que vous venez de souligner est politique. Vous dites que nous devrions tous être au courant de la destination des fonds. Comment vous qui siégez à Ottawa pouvez-vous savoir comment on devrait employer les fonds destinés à une petite localité de Terre-Neuve? N'estimez-vous pas que la population locale de cette communauté est mieux placée que quiconque pour savoir comment employer cet argent?

Nous parlons de formule globale de financement pour les services sociaux et donc du financement des programmes sociaux. On pourrait proposer que l'argent soit réservé à des programmes sociaux sans préciser lesquels. C'est ce qu'on veut dire quand on parle d'assouplir le système. Le plus grand problème qui se retrouve à tous les paliers de gouvernement et pas seulement au niveau fédéral c'est que chaque instance croit toujours mieux savoir que l'autre ce qui convient. Ce n'est pas nécessairement le cas et notre expérience nous a même prouvé qu'il en est rarement ainsi.

**Mme Catterall:** Je pense que nous devons étudier la question sous deux aspects. Il est possible que les réactions que vous avez pu recueillir à travers le pays là où vous vous êtes rendu jusqu'ici soient dues au contexte bien particulier dans lequel ces discussions ainsi que votre mission ont lieu puisque vous cherchez à réduire les crédits des programmes sociaux et de bien-être social. C'est pour cette raison que les gens réagissent de cette manière, qu'ils vous disent: «S'il vous plaît, affectez les fonds à des programmes précis» parce qu'il est plus difficile d'abandonner des programmes spécifiques que de réduire les



[Texte]

Again, I go back to the proviso I put on the earlier comment in favour of block funding that I do think it is the federal government's responsibility to set at least the minimum standards.

I think Mr. Pope has already indicated just one example of how a particular local community situation can indicate that for a period of time an emphasis in those funds should go into one program or another to meet the particular demographic social situation of a particular community. That may not be the same situation five years from now and, in fact, you may have another area—a much greater proportion of senior citizens, for instance, in our communities. A much greater proportion of that senior citizen population is going to need very specialized services.

Therefore, I say that your level of government should set the minimum standards that need to be met in the provision of these services, leaving discretion to meet what are truly local needs that you cannot be expected to know.

**Mr. Blenkarn:** In other words, you might want to put more into day care than meals on wheels; somebody else might want more in meals on wheels and no day care at all because they do not have anybody who really needs it.

**Ms. Catterall:** Exactly.

**Ms. Wilkinson:** Not only that, but, if you are given so much money for a particular program, even if you do not need that program, you will take that money and put your own money into it instead of something else, just to get that other money. This business of actually budgeting to maximize your grants is a very real problem for municipalities.

**Mr. Blenkarn:** Can you give us some indication of exactly how that works so that we would have some factual evidence from Ottawa-Carleton as to what exactly is happening?

**Ms. Wilkinson:** Well, just getting out of social services, because we have a lot of other activities, take road grants. We get 50 per cent of our road operations money as a grant from the province. We never underspend that. We may overspend a little bit, because then the next year we will get a little bit more. You cannot transfer that money into any other program, because it is earmarked only for roads. So if it does not snow one winter and you have a little extra money, you rush out and do something else on another road and that is not good planning.

**Ms. Catterall:** It is even more insidious in the road construction program, where you get 50 per cent up to a certain level of spending and up to 90 per cent if you go beyond a certain level

[Traduction]

crédits octroyés selon la formule globale et destinés à toute une gamme de programmes.

De nouveau, je reviens à la réserve que j'ai faite au cours de mon intervention en faveur de la formule globale de financement quand j'ai qu'il appartenait, selon moi, au gouvernement fédéral d'établir au moins de normes minimales.

Il me semble que M. Pope nous a déjà signalé, par un exemple, comment à cause d'une situation sociale ou démographique particulière dans une communauté donnée, il convient d'allouer les fonds pendant un certain laps de temps à tel ou tel programme particulier. La situation peut fort bien changer au cours des cinq années suivantes et il se pourrait alors fort bien qu'on ait besoin d'organiser des programmes dans un tout autre domaine, à cause, par exemple, du vieillissement de la population au sein de nos communautés. Du fait d'un tel phénomène il faudra offrir des services très spécialisés.

C'est pourquoi il faut, à mon avis, que le gouvernement fédéral établisse des normes minimales à respecter à l'égard de la prestation des services, tout en laissant une certaine latitude aux autorités municipales pour leur permettre de satisfaire aux besoins locaux qu'on ne peut s'attendre à vous voir connaître.

**M. Blenkarn:** En d'autres mots, vous pourriez vouloir affecter plus d'argent aux garderies qu'à la livraison de repas à domicile. D'autres pourraient vouloir disposer de plus d'argent pour la livraison de repas à domicile et se passer entièrement des garderies si personne n'en a besoin.

**Mme Catterall:** Exactement.

**Mme Wilkinson:** En outre, si l'on vous octroie une somme pour un programme bien défini, vous allez accepter cet argent même si vous n'avez nullement besoin de ce programme et vous allez même y consacrer des fonds de votre budget plutôt que de les affecter à autre chose et ce, uniquement pour obtenir cet argent. Cette pratique qui consiste à établir le budget en cherchant à obtenir le plus de fonds possible est la plaie des municipalités.

**M. Blenkarn:** Pouvez-vous nous expliquer exactement comment cela fonctionne de telle sorte que nous puissions avoir un témoignage précis sur ce qui se passe exactement dans la région d'Ottawa-Carleton?

**Mme Wilkinson:** Soit. Pour passer à un autre domaine que celui des services sociaux—car nous avons bien d'autres sphères d'activité—prenons les octrois destinés à la voirie. Les provinces subventionnent 50 p. 100 de nos dépenses d'entretien des routes. Nous dépensons toujours cette somme au complet. Il arrive même que nous dépensions un peu plus du montant pour pouvoir obtenir plus d'argent l'année suivante. Il n'est pas possible d'affecter cette somme à un autre programme, car il est bien précisé qu'elle est réservée à la voirie. Si au cours d'un hiver il neige peu et si nous n'avons pas tout dépensé ce qui nous revenait pour l'enlèvement de la neige, nous nous empressons d'entreprendre des travaux sur une autre route et ce n'est pas la bonne manière de planifier.

**Mme Catterall:** C'est encore plus insidieux dans le cas d'un programme de construction routière en vertu duquel on nous rembourse 50 p. 100 du coût jusqu'à un certain niveau puis

*[Text]*

of road construction that the province deems desirable. So, of course, you spend that last dollar to get the 90-cent dollars.

**Ms. Wilkinson:** There are all sorts of funny things going on.

**Mr. Blenkarn:** Well, I thought maybe you had some instances in the social affairs envelope, where we are involved, from the federal level, like CAP. Now, that would be quite useful to us, because we are going to have to make some recommendations on CAP. What you are saying is that you would like to see block funding of it. If you could show us where there were massive differences or where you deliberately had to play with the budget in order to get money into one field, then that would be very helpful to us.

**Ms. Catterall:** There are a couple of things. I was going to turn it over to Mr. Pope, but having dealt with it very recently, I think we can respond to that. There was an application to us for a grant from Planned Parenthood for \$10,000 to continue their operations in Ottawa-Carleton. To fund that out of our grant program, we would have had to spend 100-cent municipal dollars. We decided that, in fact, it was the health service that we would like to fund out of the budget of our health board. Now, in fact, whether it is a health service or not may be debatable. I think it is very clearly in the health service field and eligible for 100 per cent provincial funding, but given all the other items in the health service field and eligible for 100 per cent provincial funding, but given all the other items in the health care budget for the region, there was not sufficient money to provide 100-cent dollars to that particular program.

The other, and much more serious one, we face at the moment is with senior citizens, in particular. People are being released from institutions in Ottawa-Carleton at a rate that is sufficiently high that we do not have the special care workers to ensure that they have the income maintenance, the proper health services, and the proper residential care, so that they are properly placed and can live back in the community with an appropriate level of care. We could not get funding from the province, and that is partly with your money, to hire the special care workers needed to process those people back with appropriate care into the community, at reduced cost to us as a society as a whole. Nonetheless, they needed to be processed with the proper level of care. We could not get funding for that. What we have done is a great juggling job of caseloads between our public health workers and caseloads between our social workers, so that some of that placement work is being picked up by public health nurses at 100-cent dollars; otherwise we would have had to spend 100-cent municipal dollars, just to hire those four extra workers, because of a provincial program that is getting people out of institutions but not dealing with what happens to them when they are out. Many of them are psychiatric patients or senior citizens with serious health problems.

*[Translation]*

jusqu'à concurrence de 90 p. 100 quand nous dépassons le stade de construction que la province souhaite nous voir atteindre. Alors, nous engageons bien entendu ces dépenses supplémentaires pour que les coûts nous soient financés à 90 p. 100.

**Mme Wilkinson:** Il se passe une foule de choses étranges.

**M. Blenkarn:** Je croyais que vous pourriez me citer des exemples dans le domaine des affaires sociales auxquels le gouvernement fédéral participe comme le Régime d'assistance publique. Cela nous serait fort utile, car nous aurons à formuler des recommandations à propos de ce régime. Vous avez dit que vous vouliez que les services de ce régime soient financés selon la formule globale. Il nous serait très précieux que vous puissiez nous donner des exemples où cela fait une grande différence. Nous aimerions que vous nous citiez un exemple où vous avez été obligé de modifier délibérément le budget afin d'obtenir des fonds pour un certain domaine.

**Mme Catterall:** Il y a quelques cas. J'allais laisser à M. Pope le soin d'en parler, mais comme nous avons eu affaire à cela récemment, je crois que nous pouvons répondre. Le groupe de Planification familiale nous a demandé une subvention de \$10,000 pour pouvoir continuer ses activités dans la municipalité d'Ottawa-Carleton. Pour pouvoir lui donner des crédits à même notre programme de subventions, il aurait fallu dépenser exclusivement des deniers de la municipalité. Nous avons décidé qu'en fait cela constituait un service sanitaire que nous voulions financer à même le budget de notre Bureau de la santé. On peut effectivement se demander s'il s'agit d'un service sanitaire ou non. Personnellement, je le crois et j'estime qu'il peut être financé à 100 p. 100 par le gouvernement provincial; étant donné cependant tous les autres postes de dépense du budget de la santé pour la région, il n'y avait pas suffisamment d'argent pour financer ce programme particulier à 100 p. 100.

L'autre problème beaucoup plus grave auquel nous devons faire face en ce moment concerne les personnes âgées. Plusieurs d'entre elles sont autorisées à quitter certains établissements de soins de la région d'Ottawa-Carleton à un rythme tellement rapide que nous ne disposons pas des travailleurs sociaux spécialisés pour voir à ce que ces personnes touchent l'allocation revenu, pour voir à ce qu'elles reçoivent les services de santé et les soins à domicile dont elles ont besoin, pour qu'elles puissent être bien placées et qu'elles puissent recommencer à vivre dans la communauté tout en profitant de soins de bonne qualité. La province n'a pas pu nous fournir de fonds qui, soit dit en passant, provenaient en partie de votre gouvernement, fonds dont nous avons besoin pour embaucher les travailleurs sociaux spécialisés nécessaires qui aideraient, par leurs soins, ces personnes à retrouver leur place dans la communauté ce qui en fin de compte aurait été moins coûteux pour la société. Il fallait toutefois fournir des soins de qualité, et nous ne pouvions obtenir des fonds pour cela. Nous avons donc effectué un magnifique chassé-croisé entre les dossiers des garde-malades de la Santé publique et ceux des travailleurs sociaux, ce qui a permis aux infirmières de la Santé publique d'assurer une partie du travail de placement qui serait alors financé dans son intégralité avec des deniers provinciaux. Autrement, nous aurions été obligés de dépenser



[Texte]

Those are just two very recent examples of how we juggle to try to meet the real requirements of this community, without adequate support or try to slot it into where we can get adequate support. The end result is our public health nurses are doing a job that should really be done by social workers, because they can pull a number of elements together and not just the health care. As a result, their caseloads are higher than they should be.

**M. Loisel:** Monsieur le président, j'en appelle au Règlement.

**Le président:** Oui, monsieur Loisel.

**M. Loisel:** Pourrait-on inviter le maire d'Ottawa à venir à la table, s'il vous plaît? Étant donné que c'est notre maire à tous, est-ce qu'elle peut venir à la table?

**The Chairman:** I notice the presence of Mayor Dewar in the hall and all I can do is to welcome her here. I do not know whether or not she is part of the delegation; that is up to the delegation.

**Mr. Loisel:** She is our mayor in a way.

**The Chairman:** No, she is not the mayor of Parliament Hill. I do not think her jurisdiction extends to Parliament Hill.

**Ms. Catterall:** What you have before you is a delegation that represents admirably, I think, the ability of municipalities to use their local resources to their best advantage. Nonetheless, we are not representing either the City of Ottawa or the Regional Municipality of Ottawa-Carleton. We are representing associations that speak for 600 municipalities in this province. I am sure the mayor would be happy to respond to questions from the task force, but she is not a member of our delegation.

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**The Chairman:** We would be happy to hear her afterwards.

**Mr. Weatherhead:** Mr. Chairman, I think the committee now realizes the interest and the importance that the committee places on this particular question, because we are getting a somewhat new point of view. Accordingly it is not too fair to ask for someone's off-the-cuff comments about it, but perhaps it might be useful, Mr. Chairman, if they could give this some further consideration and perhaps write the committee in the next week or two to give us a bit more on this particular point: why you think that block funding for the social service aspect would be beneficial to you and not detrimental to the various social services combined.

We, at the federal level, if I may speak for myself, are not trying to impose something from the federal level; however, all

[Traduction]

de l'argent venant exclusivement des caisses de la municipalité pour pouvoir embaucher les quatre travailleurs supplémentaires nécessaires et cela, à cause d'un programme qui a pour objet de faire sortir les gens des établissements de soins sans s'occuper de ce qui leur arrive ensuite. Beaucoup d'entre eux sont des anciens patients des services psychiatriques et d'autres sont des vieillards qui ont des troubles de santé.

Voilà donc deux exemples tout récents montrant comment nous devons jongler pour satisfaire aux besoins réels de la communauté, en l'absence d'appui adéquat ou comment nous manœuvrons pour obtenir les crédits nécessaires. Ce sont donc nos infirmières de la Santé publique qui font le travail dont les travailleurs sociaux devraient se charger alors que ces derniers sont à même de s'occuper de plusieurs éléments et pas seulement des soins de santé. Ainsi, les infirmières ont plus à faire qu'elles ne le devraient.

**Mr. Loisel:** Mr. chairman, on a point of order.

**The Chairman:** Yet, Mr. Loisel.

**Mr. Loisel:** Could we call the Mayor of Ottawa to the table, if you please. Since she is the mayor to us all, could she come to the table?

**Le président:** Je note la présence du maire d'Ottawa, M<sup>me</sup> Dewar, et je ne peux que lui souhaiter la bienvenue. J'ignore si elle fait partie de la délégation ou non, c'est à la délégation qu'il appartient d'en décider.

**M. Loisel:** Dans un sens, elle est notre maire.

**Le président:** Non, elle n'est pas maire de la colline parlementaire. Je ne crois pas que sa compétence s'étende à la colline.

**Mme Catterall:** Vous avez devant vous une délégation qui démontre, de manière admirable, je crois, la faculté qu'ont les provinces d'employer du mieux possible les ressources locales. Pourtant, nous ne représentons ni la ville d'Ottawa ni la municipalité régionale d'Ottawa-Carleton. Nous représentons des associations qui sont les porte-parole de 600 municipalités de cette province. Je suis certaine que M<sup>me</sup> le maire serait heureuse de répondre aux questions du groupe de travail, mais elle ne fait pas partie de notre délégation.

**Le président:** Nous serons heureux de l'écouter ultérieurement.

**M. Weatherhead:** Monsieur le président, je crois que le comité prend conscience de l'intérêt et de l'importance que cette question revêt, car nous sommes en train de découvrir un nouveau point de vue. Il n'est donc pas très juste de demander à quelqu'un de faire des remarques à brûle-pourpoint sur le sujet, mais peut-être serait-il utile, monsieur le Président, que les intéressés puissent réfléchir et nous écrire au cours des deux prochaines semaines afin de nous renseigner plus à fond sur cette question: pourquoi estimez-vous que la formule globale vous avantagerait pour le financement des services sociaux et qu'elle ne nuirait pas aux divers services combinés.

Nous, au niveau fédéral, si je puis parler en mon propre chef, n'essayons pas d'imposer quoi que ce soit; cependant,



[Text]

the social service groups, almost without exception, are saying, allocate, earmark, this sort of thing.

**Ms. Wilkinson:** That is very understandable.

**Mr. Weatherhead:** Perhaps that is understandable, but they are the ones who are on the ground, just like you people are on the ground. They think they may be on the ground more than you are. Everybody thinks they are more on the ground than anyone else; that is natural.

I think, Mr. Chairman, if you passed an order, that they give us more particulars on this particular subject in the future, when they have had more of a chance to consider it, it might be useful to all of us.

**The Chairman:** I wanted to pose some questions a little bit in this regard. I do not want to pass a judgment now. I can reflect on it to see to what extent it can really be useful to us as a group. I was going to ask: Have you approached the Government of Ontario on this question? There is absolutely nothing we can do to block fund CAP or whatever else from provinces to municipalities. It is an exercise in futility for the federal government to discuss that. As I understand it, if the provinces wanted to block fund CAP now . . .

**Mr. Blenkarn:** They could not.

**The Chairman:** They could not?

**Mr. Blenkarn:** No, they cannot.

**Ms. Wilkinson:** The rules of the game under which they get it, we understand, ties their hands to some extent. We are in continuous discussion with the province on grants, grant reform, tax reform and many things of that nature.

**The Chairman:** Do they support . . .

**Ms. Wilkinson:** The policy of the Association of Municipalities of Ontario is that grants should be unconditional and basically unconditional grants means no strings—and that is equivalent to block funding; it is another name for it—on the basis that local municipalities should be able to set their own priorities. If one year they want to build roads, and the next year they want to build arenas, they should have the right to make those judgments.

**The Chairman:** I do not dispute that at this point. Does the Government of Ontario accept that?

**Ms. Wilkinson:** The Government of Ontario accepts this as a general principle and are moving in that direction, but rather slowly.

**The Chairman:** I wonder whether Mr. Mendelson and his staff could indicate to us does the Canada Assistance Plan, which is a federal act—does it need to be amended to permit provinces to be there?

**Mr. Mendelson:** I believe the Canada Assistance Plan would not prevent the Government of Ontario from block funding social services in its municipality and those social services

[Translation]

presque tous les groupes de services sociaux sans exception nous disent ceci: «Affectez les fonds en précisant ce à quoi ils doivent servir» et ainsi de suite.

**Mme Wilkinson:** C'est très compréhensible.

**M. Weatherhead:** Peut-être est-ce compréhensible, mais ce sont ceux qui, tout comme vous, connaissent le mieux les réalités. Ils croient être plus près du monde de réalités que vous. Chacun a le sentiment de l'être plus que les autres, c'est naturel.

Je crois, monsieur le Président, qu'il serait utile que vous adoptiez un ordre nous permettant d'obtenir d'eux qu'ils nous donnent de plus amples renseignements à ce sujet, une fois qu'ils auront eu l'occasion d'y réfléchir.

**Le président:** Je voudrais poser quelques questions à ce sujet. Je ne veux pas décider maintenant. Je vais réfléchir pour voir à quel point cela pourrait vous être vraiment utile en tant que groupe. J'allais demander si vous en avez touché un mot au gouvernement de l'Ontario. Nous ne pouvons absolument pas demander aux provinces d'adopter la formule globale de financement quand elles accordent des crédits aux municipalités au titre du Régime d'assistance publique ou de tout autre programme. Il est inutile que le gouvernement fédéral en discute. Si je comprends bien, si les provinces veulent financer maintenant le Régime d'assistance publique selon la formule globale de financement . . .

**M. Blenkarn:** Elles ne pourraient pas le faire.

**Le président:** Elles ne le pourraient pas?

**M. Blenkarn:** Non, elles ne peuvent pas.

**Mme Wilkinson:** Nous croyons savoir que le gouvernement fédéral fixe certaines conditions quand il accorde des subsides aux provinces. Nous discutons continuellement avec la province des questions d'octrois, de leur réforme, de la réforme de la taxation et ainsi de suite.

**Le président:** Appuient-elles?

**Mme Wilkinson:** L'Association des municipalités de l'Ontario estime que les octrois ne doivent pas être assortis de conditions ce qui, au fond, veut dire qu'on doit pouvoir se servir de l'argent comme on veut. C'est l'équivalent de la formule globale de financement; on désigne cela sous un autre nom en partant du principe que les municipalités locales devraient pouvoir établir leurs propres priorités. Si elles veulent construire des routes et l'année suivante des centres sportifs, elles doivent avoir le droit de prendre ces décisions.

**Le président:** Pour l'instant, je n'y vois aucune objection. Le gouvernement de l'Ontario est-il d'accord?

**Mme Wilkinson:** Le gouvernement de l'Ontario est d'accord sur le principe et il l'applique déjà, quoique relativement lentement.

**Le président:** M. Mendelson et ses collaborateurs pourraient-ils nous dire s'il est nécessaire de modifier le Régime d'assistance publique qui est une loi fédérale, pour permettre aux provinces d'y participer selon cette formule?

**M. Mendelson:** Je crois que le Régime d'assistance publique n'empêcherait pas le gouvernement de l'Ontario de financer les services sociaux dans une municipalité en employant la for-

[Texte]

could still be cost shared under the Canada Assistance Plan. I would have to check up on that. I believe that is partially the case now in at least one province—in the City of Winnipeg—where some social services are provided and they are giving a block fund for that purpose.

I would also like to point out, if I may, just as a point of clarification, that in the specific case of the services example that you gave, perhaps it is an unfortunate example, because that is one case where block funding has already been given to the province on behalf of those services. Those kinds of services were specifically listed as services covered under the extended health care grant, for which the federal government is now giving Ontario about \$26.85 per capita, so that specific service is already block funded.

**The Chairman:** Did you say, Mr. Mendelson, that the Canada Assistance Plan Act would have to be amended to permit that?

**Mr. Mendelson:** I do not know. I believe that the Canada Assistance Plan will allow Ontario to block fund municipal social services.

**The Chairman:** If the province wants to enter an agreement with a government that permits that.

**Mr. Mendelson:** I think so, but I would have to . . .

**The Chairman:** Because the way CAP works, it is agreed upon one year at a time, right?

**Mr. Mendelson:** Yes.

**Mr. Haney:** It does not expire; you have to give one year's notice, I believe.

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**The Chairman:** Oh, I am sorry; I thought it was a one-year agreement that was renewed every year.

**Mr. Mendelson:** Mr. Chairman, the way it would work, is that, if they block-funded services within the municipalities, as, I believe, they do in Winnipeg, they would still have to go through the conditions that are required under the Canada Assistance Plan. They would still have to meet the needs-test criteria; they would still have to submit the papers that are required and then the cost sharing would be available to the province under the Canada Assistance Plan just as it is if the municipality, instead, is given a matching grant from the province. In other words, the Canada Assistance Plan does not govern the relationship between the province and the municipality, as far as I know.

**Ms. Catterall:** That goes to a point we did address, earlier, Mr. Chairman. One of the important elements in the block-funding program is the establishment of the terms and conditions. You will note in our submission that—I do not think we referred to it specifically—but there is substantial concern that the province of Ontario appears to be picking up much less of the available CAP funds than the other provinces in this country, and that is why we are very concerned about block funding being established with appropriate criteria. Perhaps

[Traduction]

mule globale et le coût de ces services pourrait toujours être partagé en vertu de ce régime. Il me faudrait le vérifier. Je crois que c'est en partie le cas dans au moins une province, dans la ville de Winnipeg où certains services sociaux sont financés selon la formule globale.

Si on me le permet, je voudrais aussi préciser, pour tirer la chose au clair, que dans le cas particulier des services auxquels vous avez fait allusion dans votre exemple mais peut-être est-ce un piètre exemple puisque c'est un cas où la province a touché ces subsides en bloc pour financer ces services. Ces services faisaient explicitement partie des services relevant du Régime supplémentaire d'assurance-maladie au titre duquel le gouvernement fédéral verse environ \$26.85 par habitant à l'Ontario. Ce service particulier est donc déjà financé selon la formule globale.

**Le président:** Avez-vous dit, M. Mendelson, qu'il faudrait modifier la loi sur le Régime d'assistance publique du Canada pour pouvoir le faire?

**M. Mendelson:** Je ne sais pas. Je crois que le Régime permettrait à l'Ontario de financer les services sociaux municipaux selon la formule globale.

**Le président:** Si la province veut conclure une entente avec le gouvernement qui le permette.

**M. Mendelson:** Je le crois, mais il me faudrait . . .

**Le président:** Dans le cas du Régime d'assistance publique, on se met d'accord pour un an à la fois, n'est-ce pas?

**M. Mendelson:** Oui.

**M. Haney:** Il ne se termine pas d'office; je crois qu'il faut donner un préavis d'un an.

**Le président:** Oh! Pardon. Je croyais que c'était une entente d'un an renouvelable tous les ans.

**M. Mendelson:** Monsieur le président, voici comment les choses se passeraient: si la formule globale de financement était employée dans les municipalités comme c'est le cas—je crois—à Winnipeg, elles devraient tout de même se plier aux exigences du Régime d'assistance publique. Il faudrait tout de même qu'elles satisfassent aux critères de l'examen des ressources, qu'elles fournissent les documents nécessaires et ce n'est qu'ensuite qu'elles pourraient toucher l'argent provenant du gouvernement fédéral au titre du Régime d'assistance publique de même qu'elles en touchent si la province a donné un octroi à la municipalité en contrepartie de ce qu'elle a versé. En d'autres termes, le Régime d'assistance publique ne régit pas, à ma connaissance, les rapports entre la province et la municipalité.

**Mme Catterall:** C'est une question dont nous avons parlé tout à l'heure, monsieur le président. L'un des éléments importants de la formule globale de financement, c'est l'établissement des modalités et conditions de l'entente. Vous remarquerez que, dans notre mémoire, je ne crois pas que nous y fassions allusion en tant que tel—nous nous inquiétons de voir que la province de l'Ontario semble beaucoup moins bien profiter des fonds disponibles en vertu du Régime d'assistance publique que les autres provinces de notre pays; c'est pourquoi



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this is one them, the necessity to transfer that to municipalities en bloc. This is very important. But it also highlights, I think, a point we also make very strongly, namely, the need to return to some serious provincial-municipal-federal consultation on these programs in which we are all networked and which affect all of us any time there is a change.

**The Chairman:** But you realize that the federal government as much as I, personally, may like or dislike it, has to bargain and to negotiate with the provinces.

**Ms. Wilkinson:** But you can insist that the municipalities are involved, if you want to do so or they will not get any money.

**The Chairman:** No, we cannot do that.

**Ms. Wilkinson:** There are ways and means of doing almost anything.

**The Chairman:** Of course not. You cannot expect that the provincial governments in this country in *la politique réelle* are going to accept that either a group of federal parliamentarians or the federal government is going to tell them how to run their municipalities. They are going to tell us to go to hell. As much as I dislike that . . .

**Ms. Wilkinson:** I am not suggesting you tell them how to run the municipality; we do not want them to tell us either. But I am suggesting that you can say to them . . . Because if a municipality, in their province, is delivering a service, you do not want to talk to them unless they have a municipal representative present.

**The Chairman:** Sure, we can tell them that, but I have to . . .

**Ms. Wilkinson:** But then you can refuse to talk to them.

**The Chairman:** I can tell them anything, but we would like to make a judgment on what the possible response would be before we tell them something. But to suggest that the federal government can tell the provinces: "Look, unless you show us how you are going to deal with this with your municipalities . . ." As much as I may like that, will the Provinces of Quebec, Ontario and Alberta accept that?

**Ms. Wilkinson:** They should.

**The Chairman:** Well, perhaps they should. That is a horse of a different color.

**Ms. Wilkinson:** We are optimistic. It will not work at all if we do not try.

**The Chairman:** You have indicated you have started the process of renewing a constitution; I am not sure it has gone that far.

**Mr. Thacker:** Because they have not tried.

**The Chairman:** Pardon me?

[Translation]

nous tenons tant à ce qu'on fixe des critères appropriés pour la formule globale de financement. La nécessité de transférer ces subsides «en bloc» aux provinces serait peut-être un de ces critères. C'est très important. Cela fait aussi ressortir, je pense, un point sur lequel nous insistons tant, c'est-à-dire le besoin de rétablir des consultations sérieuses entre le gouvernement fédéral, les provinces et les municipalités au sujet de ces programmes dans lesquels nous sommes tous impliqués et qui ont tous des répercussions sur nous chaque fois qu'on y apporte quelque changement.

**Le président:** Mais vous vous rendez compte que le gouvernement fédéral doit marchander et négocier avec les provinces, que cela me plaise ou non.

**Mme Wilkinson:** Mais si vous le voulez, vous pouvez insister pour qu'on fasse participer les municipalités et vous pouvez dire aux provinces que si elles n'obtempèrent pas, elles ne recevront pas de fonds.

**Le président:** Non, nous ne pouvons le faire.

**Mme Wilkinson:** Il y a presque toujours moyen d'arriver à ce qu'on veut faire.

**Le président:** Bien sûr que non. Dans le contexte de la politique réelle, vous ne sauriez vous attendre à ce que les gouvernements provinciaux acceptent qu'un groupe de parlementaires fédéraux ou le gouvernement fédéral leur disent comment gérer leurs municipalités. Elles vont vous dire d'aller au diable. Ne m'en déplaie ou non . . .

**Mme Wilkinson:** Je ne préconise pas que vous leur disiez comment gérer les municipalités mais nous ne voulons pas qu'on nous dise quoi faire non plus. Mais je pense toutefois que vous pouvez leur dire que si une municipalité dans leur province assure la prestation d'un service, vous ne voulez pas leur parler à moins qu'ils soient accompagnés d'un représentant municipal.

**Le président:** Certainement, je peux leur dire cela, mais je dois . . .

**Mme Wilkinson:** Mais alors vous pouvez refuser de leur parler.

**Le président:** Je peux leur dire n'importe quoi, mais avant de leur dire quelque chose, nous aimerions réfléchir à ce que leur réaction pourrait être. Mais de là à laisser entendre que le gouvernement fédéral peut dire aux provinces: «Écoutez à moins que vous ne nous montriez comment vous allez vous y prendre dans ce domaine avec les municipalités . . .» Bien que cela puisse me plaire, les provinces du Québec, de l'Ontario et de l'Alberta vont-elles pour leur part accepter cela?

**Mme Wilkinson:** Elles le devraient.

**Le président:** Bien, peut-être le devraient-elles mais la réalité est différente.

**Mme Wilkinson:** Nous sommes optimistes. Rien n'ira si nous n'essayons pas.

**Le président:** Vous avez fait remarquer qu'on a commencé de modifier la constitution; je ne crois pas qu'on en soit arrivé là.

**M. Thacker:** C'est que les autorités n'ont pas essayé.

**Le président:** Je vous demande pardon?



[Texte]

**Ms. Wilkinson:** You are certainly working on it.

**The Chairman:** No, not really; we are not really going that far. I make a statement here, personally as a member of Parliament, that I may not have the competence and I may not want to start, politically, suggesting to provinces how they should operate in relationship to their municipalities.

**Ms. Wilkinson:** I do not think we are asking for that. In fact; what we are saying is that when a program undertaken, by the federal government, on federal initiatives, has a direct impact upon municipalities and upon how they run their municipalities, the federal government has the responsibility to make sure that the municipalities are involved in discussions, and, to date, we have not been so involved. We are very rarely approached by the federal government. We approach you out of desperation on certain types of issues when you have jurisdiction, but we are almost never approached the other way.

**The Chairman:** When a building is erected in a municipality, I am sure that the federal government at the official level, consults the municipality.

In my constituency when we build a wharf, we need municipal co-operation and provincial co-operation and we make sure that the wharf is going to be located somewhere where the municipality is going to be able to give water and sewer service. I do not think it is fair to say that the federal government does not consult municipalities on programs that affect them. They do not do so, probably, when you are dealing with the Canada Assistance Plan and with health questions, because those clearly come under provincial jurisdiction . . .

**Ms. Wilkinson:** There are many, many, many cases, when things affect us, where we are not consulted and even on the ones like a normal building . . . Anybody who puts a building up in a municipality has to get a building permit.

The federal government will come in and follow the rules until they do not like them and, then, they will say: "we do not have to follow the rules anyway." That does happen all the time. But look at the CSCP. One sixth of all our water and sewer works were constructed using financing from that program.

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**The Chairman:** It was an agreement with the provincial governments.

**Ms. Wilkinson:** It was an agreement between the federal and provincial governments. But sewers and water mains are not usually built by the provincial government. The vast majority of them are built by municipalities. They were never part of the agreement, and, all of a sudden, it is cut, by the federal government, as I got a letter from the Minister, himself, saying it was because they were not getting enough visibility and they had to cut their budget. Well, you did not cut a Canadian individual's costs by doing that because you

[Traduction]

**Mme Wilkinson:** Vous y travaillez certainement actuellement.

**Le président:** Non, pas vraiment; nous n'allons pas si loin. Je vous fais remarquer ici, personnellement, en ma qualité de représentant du parlement que je n'ai peut-être pas la compétence et je ne voudrais pas prendre le risque politique de commencer à dire aux provinces comment elles doivent se comporter à l'égard des municipalités.

**Mme wilkinson:** Je ne pense pas que ce soit ce que nous demandons. En fait, nous prétendons que quand un programme entrepris à l'initiative du gouvernement fédéral et par lui et qui aura des répercussions directes sur les municipalités et sur la façon dont elles sont gérées, le gouvernement fédéral a aussi le devoir de s'assurer que les municipalités participent aux discussions et jusqu'ici cela n'a pas été le cas. Il est très rare que le gouvernement fédéral vienne à nous. Nous allons vous trouver, en désespoir de cause, au sujet de certaines questions qui relèvent de votre compétence, mais le contraire ne se produit presque jamais.

**Le président:** Quand on construit un édifice dans une municipalité, je suis sûr que le gouvernement fédéral consulte les responsables municipaux.

Dans ma circonscription, quand nous construisons un quai, nous avons besoin de la collaboration de la municipalité et de la province et nous nous assurons que le quai soit construit là où la municipalité pourra fournir les installations d'eau et d'égoût. Je ne crois pas qu'il soit juste de dire que le gouvernement fédéral ne consulte pas les municipalités au sujet de programmes qui les touchent. Le gouvernement ne le fait probablement pas quand il s'agit du Régime d'assistance publique et des questions de santé, car ces programmes relèvent clairement de la compétence provinciale . . .

**Mme Wilkinson:** Il y a de très nombreuses choses qui nous touchent mais pour lesquelles on ne nous consulte pas, et même dans le cas de la construction, par exemple, d'un édifice ordinaire. Quiconque érige un édifice dans une municipalité doit obtenir un permis de construire.

Le gouvernement fédéral, lui, se conforme au règlement jusqu'au moment où cela ne fait plus son affaire. Il dira alors: «De toute façon, nous ne sommes pas tenus de respecter le règlement.» De telles choses sont monnaie courante. Mais voyez le programme de financement des services communautaires. On a construit un sixième des canalisations d'eau et des égoûts grâce aux crédits de ce programme.

**Le président:** C'était une entente avec les gouvernements provinciaux.

**Mme Wilkinson:** C'était une entente entre les gouvernements fédéral et provinciaux. Normalement, ce ne sont pas les gouvernements provinciaux mais le plus souvent les municipalités qui construisent les égoûts et les adductions d'eau. Mais les municipalités n'ont jamais participé à l'entente et soudainement, le gouvernement fédéral a abandonné ce programme. J'ai reçu une lettre du ministre lui-même dans laquelle il déclare que le programme a été arrêté parce que le gouvernement fédéral n'en tirait pas assez de publicité et parce qu'il

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cannot build five sixths of a sewer line. Somebody has to pick it up.

**The Chairman:** The Community Service Contribution Program, Ms Wilkinson, was an agreement with the provincial governments. Now, if the provincial governments want the municipalities involved in these agreements they can have the municipalities involved, but that Program was an agreement with all the provinces of Canada. That is what it was.

**Ms. Wilkinson:** I know. You did not consult the province, when you cancelled it, but that is another story.

**Mr. Blenkarn:** That is right. It was a unilateral cancellation of a program on which you have been relying.

**The Chairman:** It was a one-year program that was renewed for two years.

**Ms. Wilkinson:** Oh, no, there is more to it than that.

**The Chairman:** And the federal government decided, for fiscal reasons, that it had to get out of it.

**Mr. Blenkarn:** You will have a hard time defending that cancellation.

**The Chairman:** I am not defending it.

**Mr. Blenkarn:** Nobody can defend it, it is indefensible.

**Mr. Pope:** The operative word from Mayor Wilkinson was "frustration". This province is unique in that welfare is delivered by the municipal level. In the other provinces it is handled at the provincial level. The frustration is that, within this province, a tremendous amount of available CAP funding is not channeled through, and the point that this delegation is trying to get across to you is that, if you are aware that municipalities are extremely dissatisfied with the conditions, then that might at least influence your deliberations with the province. That is what we are trying to say to you. If you know how frustrated the municipalities are it must in some way, or it should in some way, affect your negotiations.

**The Chairman:** I understand that very well, Mr. Pope, and I am very sympathetic to what you say. But in the deliberations of this committee we have only met with three provincial governments so far. I may be wrong—I do not have a monopoly on wisdom—my but assessment is that, when we start . . . You know, just the discussions we have had with them, up to now, that have had nothing to do with municipal services or municipal programs, have indicated to us, already, in private, that the provinces are jealous of their competence, and I can understand that. Even when we start talking national standards for health and these sorts of things, you know, very politely—they do not say it as crudely as I said it a while ago—we are reminded that they are provincial governments and that they have a certain area of jurisdiction and that they would not like it very much if federal politicians and the federal government start overseeing what they do and tell them what they should do in their areas of jurisdiction.

[Translation]

fallait réduire les dépenses. Mais en agissant ainsi, vous n'avez pas réduit les coûts que doivent assumer nos concitoyens parce qu'on ne peut construire cinq-sixièmes d'un réseau d'égout. Quelqu'un doit payer la note.

**Le président:** Le programme de financement des services communautaires, M<sup>me</sup> Wilkinson, était une entente avec les gouvernements provinciaux. Maintenant, si ceux-ci souhaitent que les municipalités participent à ces ententes, libre à eux, mais ce programme était une entente avec toutes les provinces du Canada. Voilà ce que c'était.

**Mme Wilkinson:** Je sais que vous n'avez pas consulté les provinces quand vous l'avez supprimé, mais cela, c'est une autre histoire.

**M. Blenkarn:** C'est exact. Il a été décidé de manière unilatérale de supprimer un programme sur lequel vous comptiez.

**Le président:** C'était un programme d'un an qui a été renouvelé pour deux années.

**Mme Wilkinson:** Oh non! On peut y trouver plus que cela.

**Le président:** Et le gouvernement fédéral décida, pour des raisons fiscales, de le supprimer.

**M. Blenkarn:** Vous aurez du mal à justifier la suppression de ce programme.

**Le président:** Je ne le fais pas.

**M. Blenkarn:** Personne ne peut la justifier. C'est indéfendable.

**M. Pope:** Le mot clef que le maire, M<sup>me</sup> Wilkinson, a prononcé c'est le mot «déception». Cette province est unique en ce sens que ce sont les municipalités qui assurent la prestation des services de bien-être au niveau municipal. Dans les autres provinces cela se fait au niveau provincial. La déception vient de ce que, dans cette province, une partie énorme des sommes disponibles en vertu du Régime d'assistance publique n'est pas employée et ce que cette délégation tente de montrer c'est ceci: Elle espère que vous êtes conscient du fait que le mécontentement profond des municipalités à l'égard de la situation risque d'influer sur la tournure que vos délibérations avec la province vont prendre. C'est ce qu'on essaie de vous dire. Si vous savez combien les municipalités sont déçues, cela va ou cela devrait, de quelque manière, influencer sur nos négociations.

**Le président:** Je comprends très bien cela. M. Pope et moi-même sommes très favorables à ce que vous dites. Mais dans le cadre des délibérations de ce comité, nous n'avons rencontré jusqu'à maintenant, que trois gouvernements provinciaux. Je peux me tromper—je n'ai pas le monopole de la sagesse—mais j'ai le sentiment, d'après les entretiens que nous avons eus jusqu'ici avec les provinces à propos de questions qui n'ont rien à voir avec les services ou les programmes municipaux et d'après les renseignements qu'on nous a fournis dans le passé, que les provinces sont jalouses de leur compétence et je le comprends. Même quand nous commençons à parler de normes nationales pour la santé et dans d'autres domaines, les provinces nous rappellent, très poliment, vous savez, et non de la manière grossière que j'ai employée tout à l'heure pour le dire, qu'elles sont des gouvernements provinciaux qu'elles jouissent d'un certain domaine de compétence et qu'elles n'aimeraient pas beaucoup que des hommes politiques fédéraux ou



**[Texte]**

Unfortunately, or maybe fortunately, I do not know, this country has been evolving politically in a way that has recognized this autonomy more and more and we have, now, very strong provincial governments in this country and I am not sure that they will be so sympathetic to our trying to look at how they deal with the municipalities.

**Mr. Pope:** Mr. Chairman, there are a couple of points there. If the federal government, as we have just discussed, can unilaterally terminate agreements, they are not without clout. So you can get the message across and you are hearing now the voice of municipalities, a couple of them bigger than provinces, that are frustrated because they cannot get their word across to you. As a federal government you do represent the municipalities and you should listen to what we are saying, and if you can unilaterally terminate programs . . .

**The Chairman:** As I am listening I am wondering if your provincial government is going to listen to me if I talk to them about that.

**Mr. Pope:** When you terminate a program they listen to you because they have no option. What we are saying is that we want you to know where we stand.

**The Chairman:** All I said to you is within the context with fiscal arrangements. You talk consultation with regard to federal intervention—you know, when the federal government intervenes in my constituency I make sure, for local political reasons, that they do respect the municipality and, if there is a disagreement, that it be as gentle as possible and that they do not intervene brutally with the municipal government. But that is because I want to make sure that the federal government has a good image in my constituency. But it is in the context of fiscal arrangements that my views are advanced to you and that, as much as I am sympathetic to that, I am not sure that the provincial governments right now, if I want to be realistic . . .

**Ms. Wilkinson:** Well let us get right down to that fiscal arrangement though. In Ontario most programs are 50-30-20 or 50-50.

**The Chairman:** On CAP.

**Ms. Wilkinson:** And some of those 50-50 are 50 federal, 50 municipal, with no provincial. We are saying we do have a fiscal responsibility. We have a responsibility to our taxpayers in the same way that you have a responsibility to your taxpayers. Right now we do not have the ability to handle that responsibility, because our hands are completely tied. We are not aware—we do not have a copy of the CAP agreement between yourself and Ontario. That affects us enormously.

**[Traduction]**

que le gouvernement fédéral commencent à surveiller ce qu'elles font et leur disent ce qu'elles devraient faire dans leur propre sphère de compétence. Malheureusement, ou peut-être heureusement, je ne sais pas, ce pays a évolué politiquement de telle sorte que cette autonomie est de plus en plus reconnue et que nous avons maintenant des gouvernements provinciaux très puissants. Je ne crois pas qu'ils verraient d'un bon œil qu'on essaie de les surveiller dans leurs relations avec les municipalités.

**M. Pope:** Monsieur le président, vous avez soulevé quelques points. Si le gouvernement fédéral, comme nous venons d'en parler, peut abandonner unilatéralement des ententes c'est qu'il n'est pas totalement dépourvu d'influence. Vous pouvez donc dire aux autorités fédérales et je parle au nom des municipalités dont quelques-unes sont plus grandes que certaines provinces, que les municipalités sont déçues parce qu'elles ne peuvent pas se faire entendre de vous. En tant que gouvernement fédéral, vous représentez aussi de fait les municipalités; vous devriez écouter ce que nous vous disons et si vous pouvez abandonner unilatéralement des programmes . . .

**Le président:** Quand je vous écoute, je me demande si votre gouvernement provincial va m'écouter si je lui parle de cela.

**M. Pope:** Quand vous mettez fin à un programme, les gouvernements provinciaux vous écoutent parce qu'ils n'ont pas le choix. Ce que nous voulons c'est que vous connaissiez notre position.

**Le président:** Tout ce que je vous ai dit s'inscrit dans le contexte des ententes fiscales, vous parlez de consultation sur l'intervention du gouvernement fédéral. Vous savez, lorsque le gouvernement fédéral intervient dans ma circonscription je m'assure, pour des raisons politiques de politique locale qu'il respecte la municipalité et, en cas de désaccord, je fais en sorte qu'il soit aussi conciliant que possible et qu'il ne se heurte pas brutalement au gouvernement municipal. Mais si je le fais c'est pour être sûr que le gouvernement fédéral fasse bonne figure dans ma circonscription. C'est toutefois dans le contexte des ententes fiscales que je vous fais part de mon opinion et à cet égard, malgré toute la sympathie que je porte à votre position, j'estime—pour rester réaliste—qu'il est douteux présentement que les gouvernements provinciaux . . .

**Mme Wilkinson:** Bon, voyons cependant ce qu'il en est de cette entente fiscale. Au contraire, la plupart des programmes sont financés selon les pourcentages suivants entre les paliers de gouvernement: 50, 30 et 20 p. 100 ou 50-50 p. 100.

**Le président:** En vertu du Régime d'assistance publique.

**Mme Wilkinson:** Et certains de ceux qui sont financés moitié-moitié sont alimentés à 50 p. 100 par le gouvernement fédéral et à 50 p. 100 par le gouvernement municipal sans aucune participation provinciale. Ce que nous disons c'est que nous avons une responsabilité fiscale. Nous sommes responsables envers nos contribuables de la même manière que vous l'êtes envers les vôtres. Présentement, nous ne pouvons nous acquitter de ces responsabilités de manière satisfaisante, car nous avons les mains bien liées. Nous n'avons pas eu connaissance de cette entente que vous avez conclue avec l'Ontario au



[Text]

• 1755

We were just given one. All right, now we have one.

We really feel this should be a three-way agreement. It should have three-way discussion at least, even if we do not end up signing the agreement. The federal government, because you have responsibility for your part of the funds . . .

**The Chairman:** I agree with you that it would be better if it were.

**Ms. Wilkinson:** . . . can insist that everybody who is going to handle those funds is involved. If the province decides not to pass them on to the municipalities but to handle them only by themselves, then we do not have any part of it.

**The Chairman:** Yes, I understand you very well, and I agree with you that ideally it would be better if in the case not only of the Canada Assistance Plan but of other programs . . .

**Ms. Wilkinson:** The shelter allowance.

**The Chairman:** . . . we had a tripartite kind of fiscal arrangement. I am telling you, as gently as I can, that the federal-provincial rapport, the relationship as it has evolved over the years, is not one that is conducive to advancing that kind of notion—not because the federal government would not like it. I would be happy to go see your provincial government with you and see how they respond. But I really feel—I do not know if my colleagues here share that—that if the federal government starts telling the provinces, look, when we enter into fiscal arrangements with you, we would like to make sure how you are going to deal with your municipalities, I think gently we would be told that we have no business talking to the provincial governments in those terms.

In Alberta, for example, Mr. Thacker, how do you think it would be received?

**Mr. Thacker:** It would not even be gentle.

**Mr. Blenkarn:** I think, to be fair, Ontario probably gives its municipalities much more leeway than we seem to see in other provinces.

**The Chairman:** You do not have to defend it.

**Ms. Wilkinson:** We have a lot of delegated authority.

**Mr. Blenkarn:** Yes, you have a great deal more delegated authority than we have seen, say, in Newfoundland.

**Ms. Wilkinson:** We would just like to get some resources to go with it.

**Mr. Thacker:** You want Alberta's oil, too.

**The Chairman:** Bernard Loiselle is from Quebec. He could give us how the Quebec government would respond to that.

**M. Loiselle:** Vous savez, dans ma province, les villes n'ont même plus le droit de mettre le drapeau du Canada dans les hôtels de ville.

[Translation]

sujet du Régime d'assistance publique et nous n'en avons pas d'exemplaires.

On vient de nous en remettre un. C'est bien, nous en détenons désormais un.

Nous considérons vraiment que cela devrait être une entente tripartite et qu'il devrait au moins y avoir des entretiens à trois, même si, à la fin, nous ne signons pas l'entente. Comme vous du gouvernement fédéral êtes responsable de votre quote-part . . .

**Le président:** Je suis d'accord avec vous; ce serait préférable.

**Mme Wilkinson:** . . . vous pouvez exiger que tous ceux qui sont concernés par ces fonds puissent participer. Si la province décide de ne pas remettre des fonds aux municipalités mais de s'en occuper elle-même, nous n'avons rien à y voir.

**Le président:** Oui, je vous comprends très bien; je suis d'accord avec vous. Idéalement parlant, il serait préférable, non seulement dans le cas du Régime d'assistance publique, mais aussi dans celui d'autres programmes . . .

**Mme Wilkinson:** Le Régime d'allocation logement.

**Le président:** . . . que nous ayons une entente fiscale tripartite. Ce que je suis en train de vous dire, aussi gentiment que possible, c'est que l'évolution, au cours des ans, des rapports entre le gouvernement fédéral et les gouvernements provinciaux a été telle qu'elle n'est pas de nature à favoriser ce que vous préconisez, non pas parce que le gouvernement fédéral y serait hostile. Je me ferais un plaisir d'aller parler à votre gouvernement avec vous pour voir sa réaction. Mais je crois vraiment—et je ne sais pas si mes collègues ici sont d'accord—que si le gouvernement fédéral commence à dire aux provinces: «Écoutez, quand nous mettons un terme à une entente fiscale que nous avons conclue avec vous, nous voudrions être sûr de la manière dont vous traitez avec vos municipalités», on va vous dire gentiment que nous n'avons pas le droit de leur parler en ces termes.

M. Thacker, quelle serait, par exemple, selon vous la réaction de l'Alberta dans un cas semblable?

**M. Thacker:** Elle ne serait pas très gentille.

**M. Blenkarn:** Pour être juste, je crois que l'Ontario semble laisser beaucoup plus de latitude à ses municipalités que les autres provinces.

**Le président:** Vous n'avez pas à défendre la province.

**Mme Wilkinson:** On nous a délégué beaucoup d'autorité.

**M. Blenkarn:** Oui, la province vous a délégué plus d'autorité que, disons, Terre-Neuve ne l'a fait.

**Mme Wilkinson:** C'est que nous aimerions qu'on nous accorde les ressources en conséquence.

**M. Thacker:** Vous voulez aussi le pétrole de l'Alberta.

**Le président:** Bernard Loiselle est du Québec. Il pourrait nous dire comment le Québec réagirait.

**Mr. Loiselle:** You know, in my province, the cities don't even have the right to use the Canadian flag on city halls.

## [Texte]

**The Chairman:** Did you get that? Did you get the gist of that?

**Ms. Wilkinson:** More or less.

**The Chairman:** It is difficult for municipalities to put up the Canadian flag on their buildings.

**Ms. Wilkinson:** I have a Canadian flag right behind my desk.

**Mr. Loiselle:** I know—but I do not want to get involved in that.

**Ms. Wilkinson:** I have the Ontario one too; one on each side.

**M. Loiselle:** Écoutez, j'aimerais poser deux questions bien techniques. Dans ma province les municipalités ne sont pas impliquées du tout dans le système des services sociaux. Dans bien des cas, vous devez défrayer 50 p. 100 et dans d'autres 20 p. 100 des coûts sociaux. Vous avez sûrement des municipalités qui sont riches et d'autres qui sont pauvres. Comment traitez-vous les disparités au niveau des municipalités en Ontario?

**Ms. Catterall:** The problem is, of course, that in fact many of those programs for which federal funding is available do not get delivered in municipalities because they cannot afford it, so the programs you have made funding available for in fact are not reaching the people, precisely because of that. That is why one of the strong points we make in the brief in recommendation 3 is the importance—if we are to carry a share of financial responsibility for some of these programs, we do need a share of financial revenue-generating capacity which we do not have now. It is unrealistic to think the property tax in fact reflects an individual's ability to contribute to that kind of program. It does not. It reflects only the value of an asset they happen to have. It does not reflect their income. So those programs do not get delivered in poorer . . .

**M. Loiselle:** Madame, cela ne me regarde pas, il faudrait que vous discutiez de cela avec la province, mais même si les municipalités pouvaient en arriver à un programme à frais partagés en Ontario, on en arriverait à la même situation qui existe entre Terre-Neuve et l'Alberta. C'est beaucoup plus difficile pour Terre-Neuve de consacrer \$100 per capita pour offrir tel service que cela l'est pour l'Alberta. Est-ce qu'on ne pousserai pas encore plus loin ce problème?

• 1800

**Ms. Wilkinson:** There are ways. First of all, social service delivery in Ontario is not done at the very local level but at the regional or county level. So you are already working with a broader unit that usually has some ability within it to also balance.

Second, there are ways, if you do income distribution that you can do equalization within an area. They do it in Scandinavia, and Scandinavian countries are equivalent in size; they are smaller than our provinces. Scandinavian countries actually have a share of the income tax going to the municipalities. But there is a weighted balance, so you have the distribu-

## [Traduction]

**Le président:** Avez-vous saisi cela? En avez-vous compris le sens?

**Mme Wilkinson:** Plus ou moins.

**Le président:** Il est difficile aux provinces d'arborer le drapeau canadien au fronton de leurs édifices.

**Mme Wilkinson:** J'ai un drapeau canadien derrière mon pupitre.

**M. Loiselle:** Je sais, mais je ne vais pas me mêler de cette question.

**Mme Wilkinson:** J'ai aussi celui de l'Ontario, j'en ai un de chaque côté.

**Mr. Loiselle:** Listen, I would like to ask two very technical questions. The municipalities in my province are not at all involved in the delivery of social services. In many cases, you have to bear 50 per cent of the social costs and in others 20 per cent. Surely, you have municipalities which are rich while others are poor. How do you deal in Ontario with those disparities at the municipal level?

**Mme Catterall:** Le problème est le suivant: comme les municipalités manquent parfois de moyens pour assurer la prestation de programmes pour lesquels il existe des fonds fédéraux, bon nombre d'entre eux auxquels vous avez réservé des fonds ne peuvent pas être offerts à la population. C'est pourquoi nous avons indiqué, dans la troisième recommandation de notre mémoire, qu'il faut qu'on nous permette de participer à la perception des impôts pour avoir de l'argent, ce qui ne se fait pas présentement si on veut que nous payons une partie de ces programmes. Il n'est pas réaliste de penser que la taxe foncière correspond effectivement à ce que les contribuables peuvent verser pour ce genre de programme. Ce n'est pas le cas. La taxe foncière correspond à un avoir qu'un particulier possède. La taxe foncière ne reflète pas leur revenu. Ces programmes ne sont donc pas offerts dans les municipalités plus pauvres . . .

**Mr. Loiselle:** That does not concern me, you should be discussing that with the province. Even if, however, the municipalities would attain in Ontario a program under cost sharing agreement, we would come to the same situation as exists between Newfoundland and Alberta. It is much more difficult for Newfoundland to devote \$100 per capita to be able to offer such a service than it is for Alberta. Would this not aggravate the problem even more?

**Mme Wilkinson:** Il y a un moyen. Premièrement, la prestation de services sociaux en Ontario ne se fait pas au niveau local lui-même mais à celui de la région ou du comté: On travaille donc déjà à l'échelle d'un plus grand secteur qui est capable ordinairement de garder un certain équilibre de lui-même.

Deuxièmement, il y a un moyen quand vous répartissez des recettes d'effectuer des péréquations au niveau d'une région. Cela se fait en Scandinavie, et les pays scandinaves sont de la même taille sinon plus petits que nos provinces. Dans les pays scandinaves, les municipalités perçoivent une part de l'impôt sur le revenu. Mais il existe un mécanisme de pondération



[Text]

tion from, say, Copenhagen to the smaller municipalities and this helps to do that balancing. It is very similar to what you do from province to province in Canada. There is no reason why that cannot be done.

**M. Loisel:** Dernière question . . . J'imagine que dans votre façon de fournir des services, il y a une partie importante qui faite de façon bénévole. Avez-vous déjà fait une évaluation si vous deviez payer les services bénévoles qui sont possibles, parce que c'est offert par un niveau local, de l'augmentation des coûts que vous auriez? Nous, au Québec, dans les CLSC ou dans les CSF ou dans n'importe quoi, je pense bien que le bénévolat n'a pas tellement de place. Mais vous, parce que c'est donné au niveau local, je pense que vous avez la possibilité de faire appel au bénévolat. Si vous deviez payer ces services bénévoles, quelle serait l'augmentation des coûts?

**Ms. Catterall:** I do not know if Mr. Pope could respond to that in terms of dollars or not. I would be surprised if he could because I do not think we have done that kind of evaluation. But I think you are raising an extremely important point about one of the values of having these services, at least, delivered by the local level of government, because we can, in fact, ensure that the programs are to the maximum extent in making use of the volunteer resources and are complementing the volunteer resources within our communities.

Our grant program, for instance, comes directly out of municipal dollars. One of the key factors we consider is, for every dollar we are spending, how much value we are getting in volunteer time. In general, it appears to be about five to one—\$5.00 worth of value in volunteer work for every \$1.00 that we put into a grant program. That is higher in those particular types of programs than it would be over the whole social service spectrum, obviously. Perhaps Mr. Pope could add something on this subject.

**Mr. Pope:** I could not put a dollar value on it either. But the system that you refer to, the local community service centres in Quebec, that is the same system that we are operating in the Ottawa-Carleton region. It does maximize the use of volunteers and it also enables low income people to get more work helping poorer people. So there is a real multiplier effect by using the kind of system that you refer to.

**M. Loisel:** Croyez-vous que dans les CLSC au Québec, on puisse faire appel à autant de bénévolat que cela?

**Mr. Pope:** I am sorry. Would you repeat the question.

**Mr. Loisel:** No. That is all right. I do not have to put the question to you, I will put the question when I will be in Quebec. Étant donné la façon dont vous semblez distribuer les services, vous semblez le faire de façon beaucoup plus locale, beaucoup plus humaine, définissant vous-même les priorités . . . Je ne sais pas, mais quand vous êtes à Alfred, les types de problèmes doivent être sûrement différents de ceux que vous avez à Ottawa, pas bien loin du Civic Hospital. Vous

[Translation]

permettant de redistribuer l'argent perçu à Copenhague aux municipalités plus petites et cela contribue à établir cet équilibre. C'est très semblable à ce que vous faites entre les provinces de notre pays. Je ne vois pas pourquoi cela ne pourrait pas se faire.

**Mr. Loisel:** Last question . . . I imagine that in the course of supplying the services, volunteer efforts play an important role. Have you already made an appraisal of what the cost increase would be if you had to pay for those volunteer services, presently available because the services are offered on a local basis? So far as we are concerned in Quebec, be it in the Local Community Service Centres or in the Family Service Centres or anything else, there is, I believe little volunteer work involved. But in your case, because the services are delivered on a local level, you have, I believe, the opportunity to call upon the help of volunteers. Should you have to pay this volunteer work, what would be the cost increase?

**Mme Catterall:** Je ne sais pas si M. Pope peut vous donner un chiffre en dollars. Je serais surprise qu'il le puisse, car je ne crois pas que nous ayons fait ce genre d'étude. Mais je crois que vous soulevez une question très importante en soulignant l'avantage que cela présente de laisser le gouvernement local offrir ces services. Nous pouvons ainsi tirer parti au maximum des ressources des organisations bénévoles et également voir à ce que les programmes complètent ces ressources.

Notre programme d'octrois, par exemple, est financé directement à l'aide des deniers de la municipalité. L'un des facteurs clef que nous prenons en considération c'est la valeur en temps qui correspond à l'argent que nous dépensons pour les services bénévoles. La proportion semble être environ de cinq pour un; les organismes bénévoles nous fournissent un service équivalent à cinq dollars pour chaque dollar que nous leur accordons. C'est évidemment plus élevé dans ce genre particulier de programmes que cela ne le serait, en général, dans l'ensemble de la gamme des services sociaux. M. Pope peut peut-être nous dire quelque chose à ce sujet.

**M. Pope:** Je ne pourrais pas vous donner de chiffres en dollars. Mais le système des centres locaux de services communautaires du Québec dont vous avez parlé est identique à celui que nous avons dans la région d'Ottawa-Carleton. Il tire pleinement parti du bénévolat et permet également à des personnes ayant de faibles revenus de trouver du travail en aidant d'autres encore plus pauvres. En employant le système dont vous parlez, on multiplie donc les bénéfices.

**Mr. Loisel:** Do you think that for the Local Community Service Centres of Quebec we could call upon as much volunteer work?

**M. Pope:** Pardon. Pourriez-vous répéter la question?

**M. Loisel:** Non. C'est bien. Je n'ai pas à vous poser cette question. Je la poserai quand je serai à Québec. Given the way by which you seem to distribute the services, you seem to do so in a manner much more local and much more humane, defining yourselves you own priorities. I would not know, but the types of problems found in Alfred must surely be different from those you have in Ottawa, where you are close to the Civic Hospital. You are therefore leaving to the local popula-



*[Texte]*

laissez donc à la population locale, en fait, la responsabilité de définir ce qu'elle veut, et je trouve cela tout à fait extraordinaire.

**Ms. Catterall:** If I may refer just to our community service centres. We now have five . . .

**Mr. Pope:** There will be eight this year.

**Ms. Catterall:** There will be eight community service centres by the end of this year in the region. Each one of them is entirely different from the others. Each one of them has been developed by a local community; in general, a population of approximately 40,000. Some of them operate with a number of agencies all operating out of one centre and distributing their services, or providing their services, in that centre, where that suits that particular community. In other words, where there is easy access to the centre.

The other extreme, I guess, is the one in the west end which has very cramped quarters, about half the size of this room, and yet it is operating a number of programs. But it is operating on the basis that that particular community is made up of several quite segregated neighbourhoods and the best way to deliver services is to have workers from different agencies in those different neighbourhoods throughout a week. Those are only two of the eight which are quite, quite different from one another.

**Ms. Wilkinson:** It is an interesting thing, the whole funding of this CAP program. Under the transfer arrangements they get 50 per cent funding for administration and this is for the people who deliver the services. We do not get any assistance for the rent. We do not get any assistance for the telephone or the paper. That is all 100 per cent municipal tax based dollars. I do not know how you can have a social worker without having some place to put them, even if it is very small. There are some very strange anomalies in the whole system.

• 1805

We are really saying in some respects, why can there not be a separate CAP agreement for each province, that in itself, identifies and reacts to the difference from one province to the other. You really cannot compare Prince Edward Island to Ontario in the needs and delivery of social services. They are quite different.

**M. Loiselle:** Écoutez, étant donné qu'on a fait un peu allusion au débat constitutionnel, je voudrais terminer en vous disant que depuis quelques années, on parle de décentralisation en ce sens que le résultat net serait de transférer des pouvoirs d'Ottawa vers les 10 capitales provinciales. Durant le temps du référendum au Québec, il y avait plein de sondages qui faisaient dire aux gens qu'ils se sentaient plus proche de Québec que d'Ottawa; et moi je disais tout le temps à ma population: «On est à 125 milles d'Ottawa et on est à 145 milles de Québec.» Pourtant, ce n'est pas tellement plus loin. Mais je crois vraiment que dans tout le débat constitutionnel, et ça je

*[Traduction]*

tion, in fact, the responsibility of defining what it wants, and I find this altogether fantastic.

**Mme Catterall:** Brièvement à propos de nos centres de services communautaires, je signale que nous en avons présentement cinq . . .

**M. Pope:** Nous en aurons huit cette année.

**Mme Catterall:** D'ici la fin de l'année, nous aurons huit centres communautaires dans la région. Tous diffèrent entièrement les uns des autres. Chacun a été créé par une communauté locale d'environ, en général, 40,000 personnes. Certains fonctionnent avec la collaboration d'organismes qui offrent leurs services à la communauté à partir d'un centre; d'autres offrent tous leurs services dans le centre même si c'est ce qui convient à cette communauté, soit en d'autres termes là où le centre est facile d'accès.

L'autre extrême—je suppose—c'est le centre de l'ouest dont les installations sont exigües puisqu'elles font à peu près la moitié de cette pièce et pourtant il assure la prestation d'un certain nombre de programmes. S'il fonctionne ainsi c'est parce que la communauté qu'il dessert est constituée de plusieurs quartiers bien distincts et parce que l'on considère que la meilleure manière d'offrir ces services c'est d'envoyer les travailleurs des divers organismes dans les différents quartiers pendant toute la semaine. Voilà seulement l'exemple de deux des huit centres qui sont très, très différents les uns des autres.

**Mme Wilkinson:** C'est une chose intéressante que toute cette question du programme du Régime d'assistance publique. Selon les ententes de péréquation, les coûts administratifs et les salaires des personnes qui assurent la prestation de ces services sont défrayés à 50 p. 100. Il n'y a aucune aide pour le loyer ni pour le téléphone et les articles de bureau. Ces dépenses doivent être couvertes à 100 p. 100 par des deniers municipaux provenant des taxes. On ne peut tout de même pas avoir un travailleur social sans avoir un local, aussi petit soit-il, où l'installer. On trouve d'étranges anomalies dans tout le système.

Somme toute, nous disons donc ceci: Pourquoi ne peut-il pas y avoir une entente séparée, pour chaque province, du Régime d'assistance publique, entente qui puisse déceler les différences d'une province à l'autre et permettre de réagir en conséquence. Vous ne pouvez tout de même pas comparer l'île du Prince Édouard et l'Ontario quant aux besoins en services sociaux et à leur prestation. Ils sont plutôt différents.

**Mr. Loiselle:** Listen, since there was some reference made to the constitutional debate I would like to conclude by saying that, over the last few years the issue of decentralization has been much debated, using the word in this sense that the net result of it would be the transfer of the Ottawa powers to the 10 provincial capitals. In the course of the Quebec referendum, a lot of opinion polls were taken which had people saying that they were feeling closer to Quebec than to Ottawa. As for me, I kept saying to my constituents: "We are 125 miles from Ottawa and 145 miles from Quebec." But then it is not that much further. I do believe however that, in all this constitu-

*[Text]*

ne le dis pas comme député je le dis en tant que Bernard Loiselle l'individu, je pense que vraiment vous avez un rôle extraordinaire à jouer, parce que toutes les structures qu'on a à établir dans ce pays-là, toute la fiscalité qu'on a à établir dans ce pays-là, devrait n'avoir qu'un seul but: le mieux être de nos citoyens. Et lorsqu'on veut rapprocher le centre décisionnel des citoyens, je pense que vous êtes le meilleur palier de gouvernement pour jouer ce rôle-là.

Continuez à vous battre et à exiger des deux autres paliers de gouvernement de vous écouter. Merci.

**Mme Catterall:** Faites qu'on se batte ensemble!

**M. Loiselle:** Peut-être que je vais me présenter comme maire. I will not fight you again, Marianne.

**The Chairman:** Thank you very kindly for your presentation. As I indicated, while we are not free to do what we want as a federal group about the provincial-municipal rapport, your brief is certainly a good contribution to us and we will certainly consider it when preparing the report.

**Ms. Wilkinson:** Thank you, Mr. Chairman.

**Ms. Catterall:** I would like to conclude, Mr. Chairman, by thanking you, but also by saying that we recognize the reality of what you have been saying, that the provincial government is not easily going to let you talk directly to municipalities. We would like to help if we can.

**The Chairman:** The meeting is adjourned to the call of the chair.

*[Translation]*

tional debate and this I say, not as a member of Parliament, but I say this as Bernard Loiselle, the man, I do really feel that you have an extraordinary role to play because all the structure to be established in this country and the whole fiscal system that goes with it should have but one goal: the improvement of the well-being of our citizens. And if we are to bring closer together the decision-making centre and the citizens you, I believe, are at the best level of government to achieve this.

Keep on battling and demanding of the other two levels of government that they listen to you. Thank you.

**Ms. Catterall:** Let us be that we fight together!

**Mr. Loiselle:** Perhaps I will run as mayor. Je ne me battraï plus avec vous, Marianne.

**Le président:** Merci bien pour votre exposé. Bien que nous ne soyons pas libre d'agir à notre guise en tant que groupe fédéral au sujet des rapports entre les provinces et les municipalités, je répète que votre mémoire nous apporte certainement beaucoup et nous ne manquerons pas d'en tenir compte lors de la présentation de notre rapport.

**Mme Wilkinson:** Merci, monsieur le président.

**Mme Catterall:** Je voudrais terminer, monsieur le président, en vous remerciant mais aussi en vous disant que nous avons pleinement conscience du fait dont nous avons parlé, que le gouvernement provincial n'est pas disposé à vous laisser traiter directement avec les municipalités. Nous désirons vous aider à cet égard si c'est possible.

**Le président:** La séance est levée jusqu'à nouvel ordre.

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**APPENDIX "FISC-30"**

**SUBMISSION TO THE PARLIAMENTARY TASK FORCE  
ON FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS**

**Canadian Council on Social Development**

**14 May 1981**



## Introduction

The Parliamentary Task Force on Federal-Provincial Fiscal Arrangements is an important new initiative in federal policy development. It brings to the attention of the public and of Parliament, a number of critical choices to be made regarding social programs that are funded jointly by federal and provincial governments.

As a national voluntary organization engaged in research and policy development aimed at improving Canadian social policy, the Canadian Council on Social Development welcomes this initiative, but we feel it necessary to comment on two worrisome aspects of the present process. First, the time frame of the committee is too short to allow either Parliament or the public to make a full and reasoned input to the process. We share the frustration of many organizations of being aware of crucial aspects of programs under the purview of the Task Force mandate; yet being very constrained by the schedule and process. The desire of the federal government to have all decisions finalized by March 31st, 1982, is clear. It is also clear that adequate time for full consultation has not been planned.

Our second concern centres on the fact that the need to renegotiate tax sharing agreements has been placed in direct confrontation with the needs served by major social programs. These social programs could otherwise be reviewed and renegotiated within a schedule that better reflects their national significance. It may not be inappropriate to link tax sharing and equalization arrangements with the financing of social programs, but social programs should not be held hostage to the outcome of these broader negotiations.

There is another concern which needs to be underscored: decisions that affect the future of major social programs should be taken with proper consideration for the objectives cost, effectiveness, and the need, for those programs. It would be wrong in our opinion to allow a struggle for political and fiscal supremacy to negate consideration of these very basic factors. While we respect the financial management problems of the federal government, we cannot agree with the Honourable Allan MacEachen

that the most important objective of this unique intergovernmental process is "fiscal balance." We would offer a preferred rationale expressed by the Honourable Marc Lalonde, to the effect that,

...for our first obligation as governments is to seek to design a system which will be best for individual Canadians. Only then should we move on to consider which government should administer which elements or parts of the system.<sup>1</sup>

Before moving into the more detailed aspects of our brief, we would also wish to underscore an important point relative to the impact of proposed cut-backs. Regardless of which program or combination of programs is finally selected for reduced expenditures, the impact of specific federal reductions will be generalized and spread over all social programs by provincial budgetary processes. Since health, welfare, and education programs compete for the same allocation of provincial treasuries, the loss will be shared across all three sectors and the unpopularity of resulting tax increases will be blamed on the three sectors equally. The federal government may therefore be initiating a process that will result in all social programs becoming scapegoats of a fiscal imbalance that these programs did not cause.

We will argue later in our brief that now is not the time to reduce our national commitment to maintain the basic social, health, and educational programs which in turn maintain our quality of life, support our national economy and underpin our social, cultural, and political stability. We question the wisdom of singling out for reductions, programs that assist the poor, the sick, the disabled, and the vulnerable. We suggest instead a return to some principles--old, not new-- that might guide federal decision-making.

While recognizing clearly that provincial governments have not adequately invested in developing and improving these programs over the last few years and being aware that planning and implementation of the programs are a provincial responsibility, we also point out that fifty years of federal involvement in cost-sharing for purposes of developing programs of national importance cannot be ignored. The federal government

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1. Marc Lalonde, Working Paper on Social Security in Canada, Government of Canada, Ottawa, 1973, p. 36.

has incurred an obligation that is both political and financial, and should seriously reconsider its proposed actions.

1. The Broad Dimensions of Social and Federal Spending

The debate concerning total government and federal government spending on social programs--health, education and welfare--often seems predicated on the mistaken belief that social and federal spending have mushroomed in recent years and that Canada is in danger of becoming completely out of line with its major OECD trading partners. A few observations, however, will help to place these unwarranted judgements in perspective.

(a) Since 1971, federal spending as a share of G.N.P. has been relatively stable. Table A1 shows that proposed federal spending (including transfers) in 1980-81 is actually down from 1975 when considered as a percentage of G.N.P.

(b) The share of total public sector spending did increase during the period 1970-78, from about 37 per cent to 43 per cent of G.N.P. (Table A2), but this is almost entirely due to increased provincial and municipal spending, not federal.

(c) Total public sector spending on social policy has increased only slowly. Data in Table A2 show that spending on health, education and welfare rose only from 19 per cent to about 22 per cent of G.N.P. during the period 1970-78.

(d) Data in Table A1 show that at the federal level, spending on health, education and welfare in 1980 represents 8 per cent of G.N.P., a level identical to that of 1975.

(e) Approximately 90 per cent of federal spending labelled as "welfare" is carried out through direct transfers to persons, eg., Family Allowances, Unemployment Insurance, Old Age Security, Guaranteed Income Supplement, Spouses Allowance, Canada Pension Plan, and the Child Tax Credit, while only 10 per cent is channeled through the cost-shared Canada Assistance Plan (CAP). In fact, as Table A1 shows, CAP spending in relation to the direct federal transfers has actually slightly declined since 1971. Consequently, given the federal visibility associated with



these direct transfers and given the relative small size of CAP, but its extreme importance to low-income Canadians, it is indeed curious why it alone of the many social programs is being singled out for possible reduction.

(f) Neither the size of Canada's public sector nor the amount spent on social welfare is out of control when compared with other industrialized countries.

Reference to other industrialized countries shows that Canada tends to be below average in terms of its relative public sector size and the amount spent on income maintenance programs. For the period 1974-76 and covering eighteen OECD countries, Canada ranked only twelfth in terms of total public expenditure as a percentage of GNP. For eighteen countries, the average size of the relative public expenditure share was 41.4 per cent of GNP, while Canada's public sector share was 39.4 per cent. Canada lagged behind such countries as Belgium, Denmark, France, Germany, Norway and the United Kingdom. The two countries with the largest public sector shares were the Netherlands (53.9 per cent) and Sweden (51.7 per cent).<sup>2</sup>

In terms of expenditures on income maintenance programs (including old age pensions, child allowances, sickness and maternity benefits, unemployment benefits and social assistance) Canada's ranking is slightly lower. Using 1974 data Canada ranked thirteenth of seventeen OECD countries when expenditures on income maintenance were expressed as a percentage of GNP. The average for the seventeen countries was 8.7 per cent, and Canada's share was 7.3 per cent. Austria (15.3 per cent), the Netherlands (14.1 per cent), Belgium (14.1 per cent) France (12.4 per cent) and Germany (12.4 per cent) had the largest expenditures devoted to income maintenance programs.

While international comparisons of almost anything must be interpreted with great caution respecting precise rankings and values, the two sets of data do strongly suggest that Canada is slightly below average

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2. OECD, Public Expenditure Trends, p. 14.

in terms of its size of government and the amount expended on income security programs. Arguments that favour a reduction in the public sector and, in particular, social spending because they are "out of control" should be closely examined in the light of the public sector experiences of Canada's economic neighbours and trading partners.

## 2. The Federal Role in Social Spending

The Council would like to remind the federal government of its past commitment to a strong national role in the social program area, and to affirm our support<sup>3</sup> for this commitment at a time when federal support of this principle appears to be wavering.

The reasons for a strong federal presence were contained in the government's background document to the 1968 Constitutional Conference:

1. income redistribution: The federal government asserted a role in redistributing income nationally, benefiting the populations of poorer provinces at the expense of the wealthier. Only the parliament of Canada could provide for such a redistribution, hence the need for federal powers.

2. the sense of "community": The range of social welfare income security measures, family allowances, old age security, unemployment insurance, etc. is viewed by the federal government as contributing to a sense of national unity. Receipt of cash benefits by persons is seen as one of the most tangible benefits conferred by a government. The federal government wishes to exercise this power.

3. "portability": The Canadian people move frequently between provinces. It is undesirable that benefits vary sharply between provinces. Such variations would tend to deprive some people of benefits they might have expected and hence would tend to impede the movements of peoples.

4. "economic policy": In that income payments made by the federal government affect the total demand for goods and services they are a part of the means used by the government of Canada to stabilize the economy. Thus the federal power over economic policy requires the exercise of welfare powers.

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3. See, for example, A Policy Statement on the Canada Assistance Plan and Social Policies for Canada, Canadian Council on Social Development, Ottawa, 1969.

5. "service equality": In the field of social services, the federal government was prepared to concede a primary role to the provinces. However, a national interest was asserted in social services, that of ensuring a reasonable measure of service equality between provinces. This goal reflected one of the central objectives of federal social policy, first asserted by the Royal Commission on Dominion Provincial Relations (1940):

Not only national duty and decency, if Canada is to be a nation at all, but equity and national self-interest demand that the residents of these areas be given average services and equal opportunities,-- equity because these areas may have been impoverished by the national economic policies which enriched other areas, and which were adopted in the general interest...<sup>4</sup>

This commitment was reconfirmed in 1973 by the Honourable Marc Lalonde, then Minister of National Health and Welfare, in establishing the guiding proposition in his background document to the federal-provincial review of social security that was about to get underway:

That in the interest of combatting poverty by way of a fair distribution of income between people across Canada, and in the interest of promoting national unity through avoiding extremes in income disparities, national minimums should be set by the Parliament of Canada in the levels of the allowances administered and financed by the government of Canada. Further, that "norms" should also be legislated by parliament in respect of the payments under such programmes, when such norms are required in order to determine the total contributions parliament is prepared to make under the programmes.<sup>5</sup>

By 1981, however, the commitment to a strong federal presence in the social field seems to be flagging. We are frankly perplexed by the Prime Minister's reference to the work of this task force in his answer to a question posed at his February 12, 1981 news conference:

Jeff Simpson (Globe and Mail): Sir, I would like to ask you a question about the fiscal arrangements negotiations that you are going to be undertaking this year with the provinces, which may become extremely difficult.

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4. Andrew Armitage, Social Welfare in Canada, McClelland and Stewart, Ltd, Toronto, 1975, pp. 58-59; see also Canada, Income Security and Social Services, Queens Printer, Ottawa, 1969.
  5. Marc Lalonde, Working Paper on Social Security in Canada, pp. 38-39.



I want to ask you--Mr. MacEachen has said in the House of Commons, repeated what is in the budget about the Social Policy envelope growing more slowly than the others and that the government is going to be looking for savings.

I would like to ask you, first of all, whether you expect these negotiations to be extremely difficult; secondly, what particular goals the federal government has in mind during these negotiations, apart from simply saving them; thirdly, in general terms, whether you think these negotiations are part of an effort that the federal government must make to, in effect, reverse what it sees as the excessive decentralization of the country.

Mr. Trudeau: You talk about or worry about excessive decentralization. I'd confess to you that it is a worry--and I am not pre-judging how that worry will be solved or met, because there are several ways of doing it. But I have seen the figures that the budgetary or expenditure position of the federal government in 1959, which isn't so many years ago, was that we were spending 52 per cent of total government expenditures, and the provinces and municipalities, 48 per cent. Now 20 years later exactly in 1979, the situation had changed dramatically. Now it is one-third in the hands of the federal government; two-thirds, 66.8 per cent, in the hands of the provinces and municipalities.

So, there is no doubt that in fiscal and expenditure terms, there has been a very drastic decentralization in the past 20 years. And I would say quite frankly, I do not think that can continue. I think it should be arrested. And that is the problem we are addressing ourselves to.

It is a problem Mr. MacEachen has mentioned to his provincial counterparts. We do not have any automatic solution to it. We certainly don't propose to solve this problem on the backs of the poor or of the sick, but we think that the federal and provincial governments together should find some ways of, shall we say, altering this trend--which is not marginal but, as I say, very, very vivid, very worrying.<sup>6</sup>

There are two aspects of this response that we find puzzling and troublesome, and on which we are in need of some clarification. First, how can the federal government reverse any trend to decentralization by reducing spending in the social program area? Since the provinces are constitutionally responsible for health, education and social services, will a reduction in federal contributions not simply result in forced

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6. Emphasis added.

additional provincial expenditures that will increase the current fiscal imbalance? And why, of all program expenditure areas must social programs be singled out? Second, by singling out cost-shared social programs for reductions and CAP in particular, we do not see how any result other than solving this problem on the backs of the poor and sick can occur. It is predictable and inevitable, and while the Prime Minister's words are compassionate, his proposed actions are not.

### 3. Why are Social Programs Singled Out?

The Council would like to know what has changed since 1968 and 1973 to alter the government's commitment to a continued strong presence in the social program area. We believe that the principle of a strong federal involvement is no less valid today than it was in 1968 and 1973, and may in fact be even more valid. For example, while equalization payments do to some extent redistribute income from rich to poor provinces, when the incomes of individual Canadians and families are examined over the past three decades, we see that no lessening of inequality has occurred. The bottom 20 per cent still get about 4 per cent of total Canadian income, and the top 20 per cent still get about 40 per cent of total income. As a consequence there is still a need for a greater federal government effort to channel income to low-income Canadians.

In terms of the "sense of community" and portability" objectives there is even a greater need today for a strong federal presence. With talk of "separation" coming from all corners of the country it is important that the federal government promote an identity or Canadian presence, which also allows and encourages Canadians to move about the country knowing that minimum health, education and income security standards exist in each province. Certainly a major motivation behind such programs as CPP/QPP, OAS/GIS/AS, Family Allowance, Child Tax Credit, UIC, medicare, aid to post-secondary education and the services funded by the Canada Assistance Plan is to permit Canadians to move about the country to seek other employment and in the process not be confronted with the prospect of significant drops in minimum living standards and social security.

In addition, many income security programs such as unemployment insurance and social assistance have been instrumental in many of the regions hardest hit by unemployment in keeping the local economies functioning. The automatic stabilizing effect of income security payments is an important element of the federal government's "economic policy." Given the medium term unemployment estimates tabled with last October's federal budget, it would seem imperative that spending on income security be prepared to rise, not fall, at least until 1985.

In general, the Council lauds the federal government for the strong presence it has maintained in the income security, health and post-secondary education fields in the past two decades. Much has been gained by this involvement. Nonetheless, there is still a long way to go. With respect to social services and income payments for low-income Canadians alone, there is still considerable variability across the provinces, and even in the more generous provinces, social service and income support levels are inadequate.

Although statistics are not kept on such matters, we are aware, for example, of workers refusing employment transfers inter-provincially because services and assistance for children with learning disabilities are not available in another province. Examples such as this can be multiplied and if the federal government envisions pulling out of shared-cost programs (or of direct transfers to persons) then the provincial disparities that now exist can be expected to grow.

Consequently, we find it difficult to understand why social spending is singled out for cut-backs. As we noted above (and in Table A1), the federal government allocated the same proportion of GNP to federal health, education and welfare expenditures in 1980 as it did in 1975. And in terms of the federal budget, about 60 per cent of federal expenditure is devoted to non-social spending. If cuts must be made, must they all come from the social program area which comprises only 40 per cent of federal spending? And as we also pointed out earlier, Canada ranks rather poorly compared to other OECD countries on the amount it expends on income maintenance programs. Viewed from an international perspective, Canada is not "out of line" with other industrialized countries.



The purposed cuts are particularly upsetting at a time when many Canadians are fearful that the federal government no longer cares about national standards in such programs as medicare. In 1977, the federal government agreed, and indeed, encouraged the adoption of a financing mechanism for health and post-secondary education that created the unconditional flow of funds to these two sectors. In the health sector, the deconditionalizing of grants formerly made under the national medicare and hospitalization legislation has led to the practice of "extra billing," which has resulted in many Canadians paying extra for a level of care that was originally funded by public monies and "guaranteed" by the federal government.

We do not understand why the federal government responds to this situation by proposing to cut back on funding. Given the vital importance of federal funding in the health, education and welfare areas, surely the more appropriate federal response is to maintain the flow of funds, but also to insure that these funds flow into the provincial social spending envelopes. If there is an assumption of matching provincial expenditures in federal-provincial programs, this should be monitored and enforced.

#### 4. The Federal Role in Income Support and Social Services

The major concern that the Council wishes to place before this Task Force is the plight of those three and one half million Canadians who live below the poverty line. We wish to stress how important federal government funding is to these people and to argue for an increase, not a decrease, in spending. We will demonstrate that even today with substantial levels of federal financial support, major discrepancies exist among income support levels and the access to and quality of social services on a provincial basis, that in all provinces the income support levels and social services available are inadequate when compared to commonly accepted bench-marks, and that the income gap between rich and poor has not narrowed in Canada in the past three decades.

The Task Force should also be aware of the fact that the number of Canadian families living in poverty, while historically on a

decline, has been stable since 1974 and in more recent years appears to be increasing, as Chart A1 demonstrates. The Council does not find this surprising as the recent trends toward lower real incomes, rising prices and high unemployment have worked greater hardships on low income families than on other Canadian families. And given the federal government's forecast for continuing high unemployment, inflation and relatively stable real incomes it is expected that the number of families falling below the poverty line in the future will continue to increase, and that a growing number of these will be among the "working poor."

Federal government support to low-income Canadians comes through two major channels. The first involves direct transfers to individuals such as CPP, UIC, OAS/GIS/SA, Family Allowances, and the Child Tax Credit. These direct transfers have increased considerably during the past decades as Table A1 demonstrates. It should be recognized that not all of these program benefits are directed towards low-income families, although low-income Canadians may have access to these benefits if they qualify. Also, because these benefits are direct transfers from the federal government, it is the federal government alone that reaps any political credit accruing from these program expenditures.

The second avenue for channeling income support and social services to low-income Canadians is through cost-sharing with the provinces (who may in turn further cost-share with municipalities). This history of cost-shared social payments is lengthy, dating back at least to the 1927 means tested Old Age Pensions Act. Other disadvantaged and "deserving" low-income Canadians were successively included in federal-provincial cost-sharing provisions by the passage of several separate acts: the 1937 inclusion of the low-income blind through amendment of the Old Age Act; the 1954 Disabled persons Act for low-income disabled; and the 1956 passage of the Unemployment Assistance Act that provided assistance to unemployed low-income Canadians not qualifying for unemployment insurance.

These acts had various cost-sharing arrangements and qualifying restrictions. In 1966, these Acts were replaced by the comprehensive Canada Assistance Plan, which was designed to place all cost-sharing of benefits to low-income Canadians on a 50/50 basis, and to make financial

"need" the basic criterion for qualifying for assistance. In addition to covering the aged, blind, disabled and unemployed, however, the CAP also extended cost-sharing to families on provincial and municipal welfare, to the "working poor," and to the financing of a wide range of social services designated for the needy or "near" needy. Figures provided in Table A1 show that federal cost-sharing expenditures on CAP have lagged behind direct federal transfers to persons in the 1970's, and are only equal to about 10 per cent of these direct transfers.

Unlike direct federal transfers discussed above, these benefits and services under CAP are highly targeted to low-income Canadians, and because the programs are administered by provincial and municipal governments and agencies any political credit accruing from these programs is reaped almost entirely by these governments.

#### 5. Income Support and Social Services for Low-Income Canadians

Because data are so limited, it is difficult to express fully the discrepancies and inadequacies in social programs that exist across this country. Consequently we have limited our brief to two areas: income support and day care. Even in these two areas, the data are incomplete, but we emphasize that through our daily contacts with providers and users of services, counsellors, helping agencies, planning councils and so forth across Canada, we are aware of the unevenness and inadequacy of income support and social services available to low-income Canadians.

Most, but not all, of the income support and services directly made available to low-income Canadians are channeled through CAP. Consequently, to reduce federal funding to CAP is to strike directly at those Canadians who can least bear any reductions in income and services available. For them, the present discrepancies and inadequacies will simply be magnified.

#### Income Support

Chart 1 and Table 1 illustrate for 1979-80 the different levels of support available to both the "working poor" and the "welfare poor." Chart 1 refers to the working poor, that is, Canadians who rely on employment



and earnings for the bulk of their income support, but who fall below Statistics Canada's low-income (poverty) lines. Chart 1 shows the discrepancies among the provinces in income assistance available to the working poor who very seldom qualify for social assistance.

It is important to note that in the Atlantic provinces, Alberta and British Columbia, almost all of the income assistance available is provided solely by federal Family Allowances and the Child Tax Credit. In 1979, only Saskatchewan and Quebec provided any significant income support for the working poor. (Manitoba increased its assistance this Year).

Table 1 allows for a comparison of the net income of a minimum wage worker supporting a spouse and two children, against accepted measures of poverty. In no province do combined earnings and income assistance (column 3) bring the family up to these poverty lines.

Table 1 also illustrates (column 7) the amount generally available to a family of four from social assistance ("welfare"). The most noticeable feature again is the discrepancies among the provinces. The level of assistance available in Alberta is almost two-thirds higher than that available in Nova Scotia. It would be difficult to argue that these significant differences simply reflect differences in regional costs of living. Furthermore, most social assistance rates are well below all of the measures of poverty.

If the federal government contemplates a reduction in CAP funding, one can easily imagine the discrepancies and inadequacies that would be further added to this already gloomy picture.

### Day Care

As with income support, access to day care services varies widely among the provinces, and for the most part, the supply of day care is inadequate to meet present needs. A recent national survey of licensed day care facilities that was funded by the Alberta Government reveals that in 1980, the number of spaces available per 100 pre-school children ranged from eight in Alberta to one in Newfoundland. The Canadian average was about four spaces per 100 children.

The survey also revealed a wide variation in the share of total day care expenditures borne by the public sector. (See Chart A2 appendix). The public share ranged from 79 per cent in B.C. to 10 per cent in New Brunswick, with the Canada average around 40 per cent. Given the heavy reliance placed on day care facilities by the working poor it is even more disconcerting to note the variation in monthly day care costs charged to a single parent earning less than \$10,000 per year. These monthly costs range from around \$20 per child in B.C., Saskatchewan and Ontario, to \$85 in Nova Scotia, and \$150 in Newfoundland (See Chart A3 appendix).

There are no established, universally accepted guidelines as to how many day care spaces should exist for a given child population, but as a Toronto Star editorial has pointed out (January 30, 1981) the discrepancy between Canada and other industrialized countries is considerable. In France, 100 per cent of the 3-6 year old population are in day care while in Sweden, the corresponding figure is 55 per cent. In Canada, only 16 per cent of 3-6 year olds are in day care. Without adequate and affordable day care, the working poor in Canada cannot be expected to improve their economic situation which is increasingly being imperilled by rising living costs and high unemployment. In a growing number of Canadian families, two-earner households are not the result of a choice voluntarily reached but a decision forced by economic necessity.

The data presented in this section underline the continued need for federal participation in the funding of day care to facilitate more adequate access to this important service across Canada. It is indeed unfortunate that the draft Social Services Financing Act was withdrawn by the Federal Government in 1978. This legislation would have done much to improve access to such services as day care through its enrichment formula by providing augmented funds to provinces with per capita expenditures below the national average.

## 6. Future Service Needs

To this point in our brief, we have emphasized current discrepancies in service provision across Canada and documented unmet needs. We would be remiss if we did not also consider currently identified social trends

that will clearly impact on social spending in the future. Many such trends could be identified, we have chosen to emphasize the future impact of changes in the age mix of the Canadian population.

Canada's population is aging. Since the end of World War II, Canada's population has been essentially "young." During the mid 1960s, almost half of our population was under the age of 24. By the turn of the next century, people under 24 will constitute less than one-third of the population, and by 2031, only 28 per cent. At the other end of the scale, people over 65 constituted only 8.7 per cent of the population in 1976. This proportion will rise 12 per cent in 2001 and 20 per cent in 2031.

Demand for hospital resources depends primarily on the number of people who are ill enough to require institutional care. In 1975, those 65 and over represented 8.6 per cent of the population, but accounted for almost 38 per cent of total bed capacity in Canadian hospitals. If current hospital capacity and utilization rates stay the same, the normal increase in the population of those over 65 will mean that the elderly will occupy 59 per cent of all hospital beds by 1991, 71 per cent by 2001, 80 per cent by 2011 and 99 per cent by 2021.<sup>7</sup>

We all know how difficult it is to find the money to build additional hospital beds in 1981. Obtaining funds for high cost institutions will certainly be no easier in the future. Clearly, part of the answer lies in the development of non-institutional health and social services such as home care and home help to prevent unnecessary hospitalization of the elderly. While the development of these services will not be as costly as building and staffing hospital beds, it will very likely cost more money.

Some provinces are only now beginning to develop home care and home help programs. We expect that without continued federal leadership and assistance, some provinces will simply not have the financial resources to invest in preventive programs, thereby causing an even greater crisis.

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7. L. A. Lefebvre, Z. Zsigmond, M. S. Devereaux, A Prognosis for Hospital, Statistics Canada, Ottawa, 1979, p. 16.



## 7. Conclusion

In our introductory comments we expressed our concern that the mandate of the Task Force appears to be directed towards solving the problem of fiscal balance rather than towards meeting social needs. While we acknowledge the importance of fiscal balances in our federal state, we wish to identify some stark social and economic realities that will face Canadian citizens and their governments in future years. These realities suggest that rather than finding opportunities to reduce expenditures, governments in Canada will very likely be facing unavoidable increases in social spending in the future.

(a) In April of this year, inflation in Canada was measured at a yearly rate of 12.2 per cent. A high rate of inflation has two effects on low income people. For the working poor, unless their already meagre wages keep up with inflation, there is a definite risk that they will opt for welfare since the financial benefit of working can become negligible. For those on social assistance, and particularly those who are aged, disabled or have child rearing responsibilities, inflation means an inexorable reduction in an already inadequate income. As a recent report<sup>8</sup> suggests, the purchasing power of a single disabled person in Ontario receiving assistance under the Guaranteed Annual Income System-Disabled dropped by \$773 or 19.6 per cent between 1975 and 1980. In the same period, the purchasing power of a single mother with one dependent child receiving provincial Family Benefits declined \$874 or 16 per cent.

(b) The energy price increases forecast by the October Budget will cause a significant erosion in the purchasing power of the poor. We estimate that a low-income family (with an income in the lowest 20 per cent of the population) will experience a net increase in energy expenditures from 12.6 per cent of income in 1979, to nearly 21 per cent in 1984, and in estimated dollars, an increase of \$1,098.

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8. And the Poor Get Poorer: A Study of Social Welfare Programs in Ontario, Ontario Welfare Council and Social Planning Council of Metropolitan Toronto, Toronto, 1981, pp. 5-11.

When these energy price increases were announced by the federal government last fall, our organization expressed concern that no related measures were announced to soften their impact on low-income Canadians. Now that the passage of time has allowed for more detailed analysis of the impact of rising energy costs, we reiterate this concern. Energy price increases will directly affect social program expenditures in the future. Both federal and provincial income transfer programs will face growing pressure to increase their payments to individuals and families in poverty. Given the data we have already presented concerning the erosion of purchasing power of people on social assistance, it is fair to say that this pressure will be extremely strong.

(c) The measured number of unemployed in Canada currently stands at over 800,000. While the most recent figures report a drop in unemployment last October's Budget forecast a rise in the rate to 8.5 per cent in the current year, which would result in more than one million people being without jobs. While many of the employed have entitlement to Unemployment Insurance, the effect of a rising unemployment rate is inevitably transferred to provincial social assistance programs once UI entitlement runs out. If unemployment rises as forecast by the October Budget, provincial and municipal governments will be facing higher social assistance costs which they have no choice but to meet.

Although we have painted a rather gloomy picture for many disadvantaged groups in Canadian society, it is our view that the working poor face the greatest hardships given Canada's current economic circumstances. As the cost of living rises, and if the wages of the working poor do not keep up with inflation, there is a real possibility that many in this group will opt for welfare. In its 1974 Working Paper on Social Security, the federal government summarized the needs of the working poor with a statement that is just as valid in 1981:

...a fair and just relationship must be maintained between the incomes of people who are working at or near the minimum wage, the guaranteed incomes assured to people who cannot work, and the allowances paid to those who can work but are unemployed.<sup>9</sup>

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9. Marc Lalonde, Working Paper on Social Security, Canada, Ottawa, 1974, p. 17.

As we have recommended in the past, and as the Social Security Review concluded in 1976, the federal government should be seeking ways of assisting the working poor. This can be accomplished through increased support to provinces to establish and/or expand existing wage supplementation schemes. It could also be accomplished through the improvement or expansion of income tested tax credit programs such as the Child Tax Credit, or through the development of an energy tax credit.

Now is not the time to cut social spending in Canada. To do so only in the name of fiscal balance, without examining the needs of low-income Canadians, would be to make them pay the price of what is essentially an intergovernmental dispute.



TABLE A1

**Total Federal Government Expenditures and Selected Categories**  
 Dollars and Percentage of GNP 1979-80  
 (\$ billion)

	1971		1973		1975		1977		1979		1980*	
	\$	% GNP	\$	% GNP	\$	% GNP	\$	% GNP	\$	% GNP	\$	% GNP
Family Allowance	.62		.71		2.0		2.1		1.7		1.8	
UIC	.89		2.0		3.2		3.9		4.0		4.2	
OAS / GIS / SA	2.1		2.8		3.7		4.7		6.1		7.4	
CPP	.13		.25		.82		1.0		1.5		2.0	
CAP	.47		.49		.53		.98		1.6		1.9	
TOTAL WELFARE	4.2	4.5	6.2	5.1	10.3	6.2	12.7	6.1	14.9	5.7	17.3	6.0
Medicare	.56		.68		.78		1.0		1.4		1.5	
Hospital	.80		1.0		1.6		1.9		2.6		2.6	
TOTAL HEALTH	1.36	1.4	1.7	1.4	2.4	1.4	2.9	1.4	4.0	1.5	4.1	1.4
Education	.46		.49		.51		.91		1.5		1.6	
TOTAL H.E.W.	6.0	6.4	8.5	6.9	13.2	8.0	16.5	7.9	20.4	7.8	23.0	8.0
Total Federal	17.0		23.0		34.9		43.7		53.1		59.9	
GNP (\$)	94.4		123.6		165.3		208.8		260.3		288.1	
Total Federal / % GNP	18.0		18.6		21.1		20.9		20.4		20.8	
Total CAP / Other %	12.6		8.4		5.4		8.4		12.0		12.3	
Welfare (Direct Transfers) (Excluding C.T.C.)												
Total CAP / Other % Welfare (Including C.T.C.)*	12.6		8.4		5.4		8.4		11.2		11.6	

Source: Data for 1971-79 from National Accounts (13-201). Estimate for 1980 is federal budget estimates for fiscal year 1980-81, from The National Finances - Canada Tax Foundation. 1980 data is not strictly comparable to earlier data primarily because the year-end is different. Also, the calculation for 1980 of the federal expenditure as % of GNP is not strictly comparable because of differing year-ends. Federal payments include intergovernmental transfers.

\* C.T.C. Estimate for 1979 = \$.96 billion for 1980 = \$1.04 billion (net increase).  
 (Child Tax Credit commenced in 1978)

TABLE A2

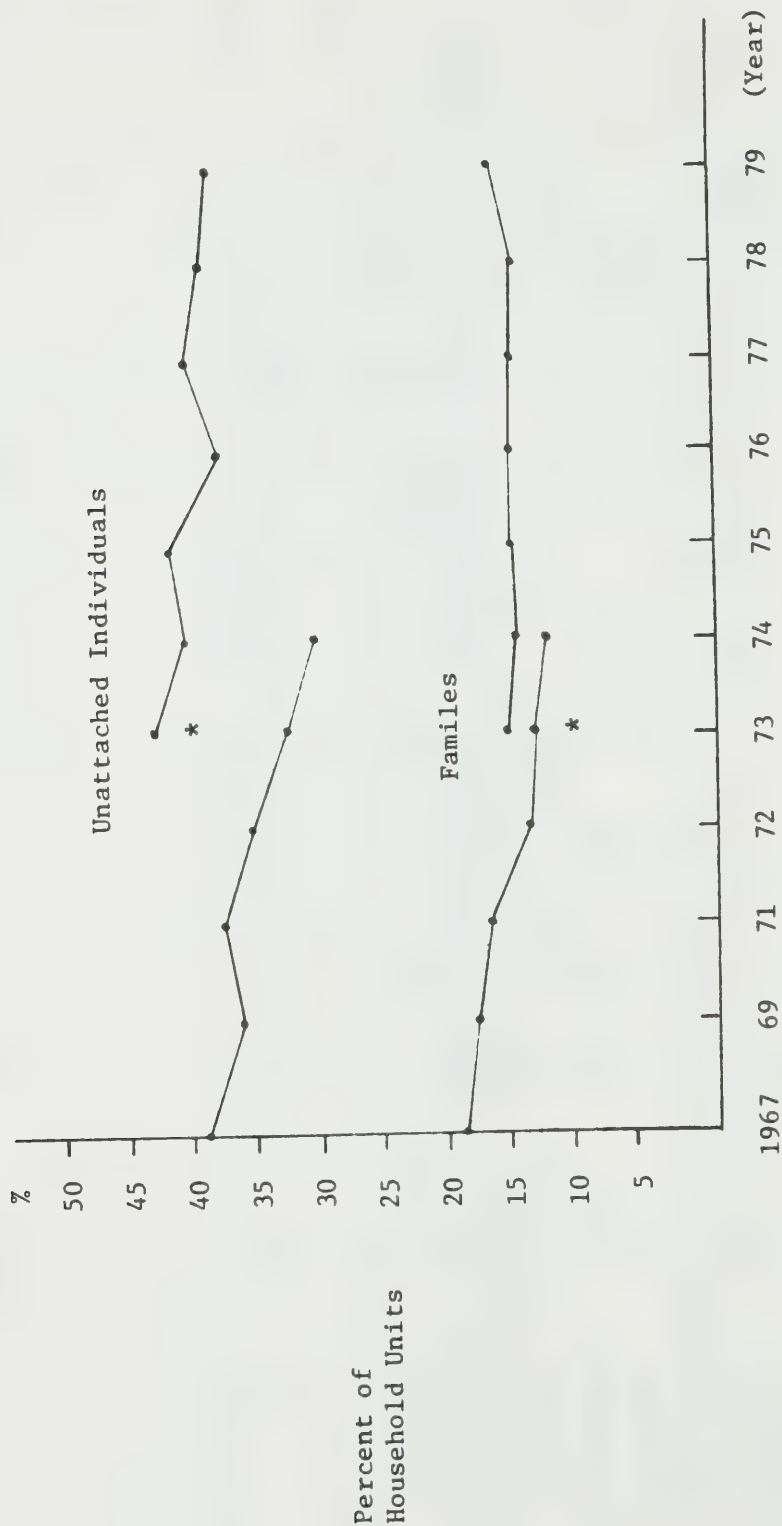
All Levels Government Spending, Total  
And Health, Education & Welfare, And  
Percentage of GNP

	1970		1972		1974		1976		1978	
	\$	% GNP	\$	% GNP	\$	% GNP	\$	% GNP	\$	% GNP
HEALTH	4.3		5.5		7.4		10.1		12.0	
EDUCATION	6.0		6.9		8.8		12.2		14.8	
WELFARE	6.0		8.8		13.4		18.4		23.3	
TOTAL H.E.W.	16.3	19.0	21.2	20.2	29.6	20.1	40.7	21.3	50.1	21.9
TOTAL EAP	31.5	36.8	41.0	39.0	59.3	40.2	80.6	42.2	99.8	43.6
GNP (\$)	85.7		105.2		147.5		191.0		229.0	

Source: Statistics Canada, Consolidated Government Finance, 1977  
(68-202). The years are fiscal years, i.e. 1978 is fiscal  
1977-78 etc.

CHART A1

Percentage of Unattached Individuals  
And Family Household Units With  
Poverty Incomes, 1967-79

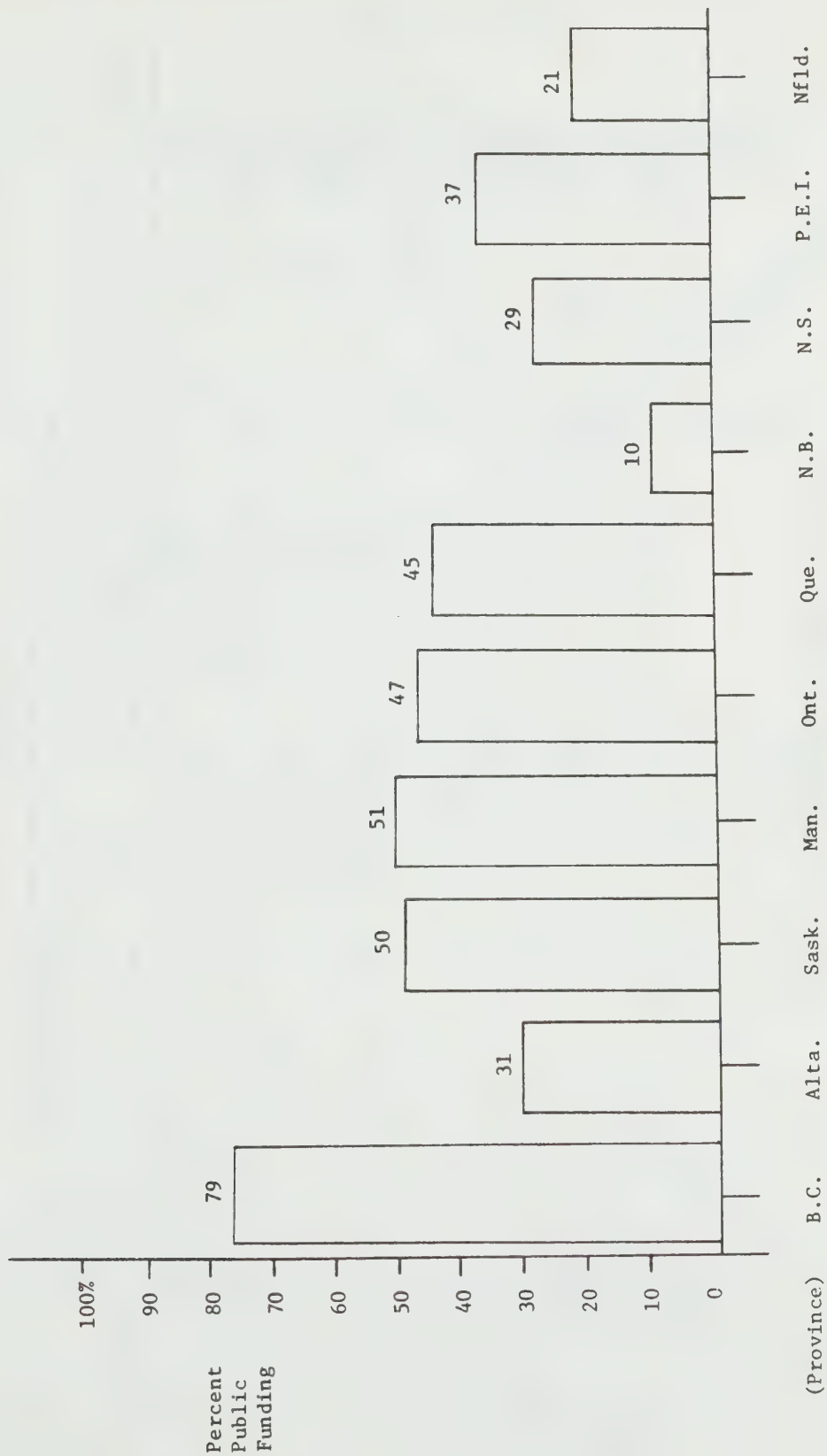


Source: Statistics Canada, Income Distributions by Size, selected years.

\* N.B.: Beginning in 1973, Statistics Canada revised their poverty lines to a slightly more generous level. The two definitions are run in parallel for 1973 and 1974.



CHART A2

Of Licensed Day Care Expenditures (Full Day)

Source: Exhibit 15, Price Waterhouse Study, August 1980, "Interprovincial Comparison."

CHART A3

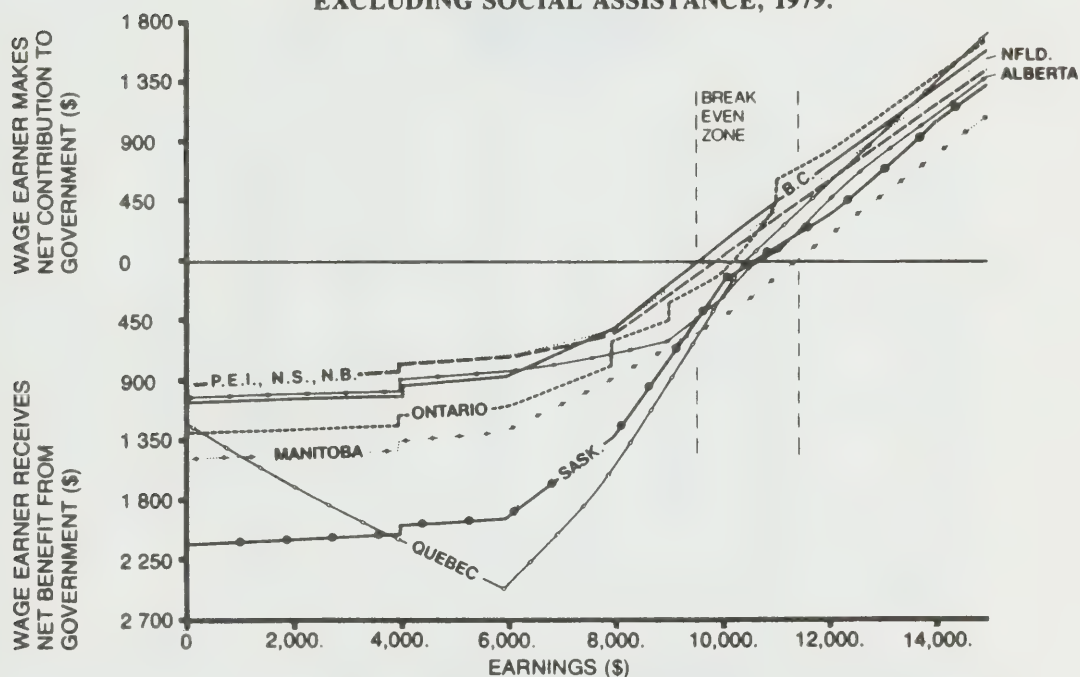
Day Care Costs to Single Parent Per Child  
Earning \$10,000 Gross



Source: Exhibit 7, "Interprovincial Comparison--Day Care Facilities",  
Price Waterhouse Associates, August 1980.

CHART 1\*

**NET IMPACT ON WAGE EARNERS OF FEDERAL AND  
PROVINCIAL DIRECT TAX AND TRANSFER PROGRAMS  
EXCLUDING SOCIAL ASSISTANCE, 1979.**



\* The values for Nova Scotia and New Brunswick are identical, while for Prince Edward Island they are only slightly different.

Source: From data supplied by Health and Welfare Canada.

\*

This chart is taken from David Ross, The Working Poor, Canadian Institute for Economic Policy, Ottawa, 1981, p. 55.



TABLE 1\*

**COMPARISON OF EARNED AND SUPPLEMENTED INCOMES,  
SOCIAL ASSISTANCE AND POVERTY LINES, 1979-80, FOR A  
FAMILY OF FOUR  
(\$)**

PROVINCE	POVERTY LINES						
	Annual Minimum Wage Income <sup>1</sup>	Net Supple- mentary Income <sup>2</sup>	Total Net Income <sup>3</sup>	Population Over 500,000 <sup>4</sup>	Population Less Than 30,000 <sup>4</sup>	CCSD <sup>5</sup>	Social Assis- tance <sup>6</sup>
Newfoundland	5,800	700	6,500	11,700	9,800	12,300	7,200
P.E.I.	5,700	700	6,400	11,700	9,800	12,300	6,900
New Brunswick	5,800	700	6,500	11,700	9,800	12,300	6,700
Nova Scotia	5,700	700	6,400	11,700	9,800	12,300	6,400
Quebec	7,200	1,800	9,000	11,700	9,800	12,300	7,200
Ontario	6,200	1,000	7,200	11,700	9,800	12,300	6,900
Manitoba	6,300	1,200	7,500	11,700	9,800	12,300	8,000
Saskatchewan	7,300	1,500	8,800	11,700	9,800	12,300	6,700
Alberta	6,200	800	7,000	11,700	9,800	12,300	10,500
B.C.	6,200	800	7,000	11,700	9,800	12,300	9,100
Average <sup>7</sup>	6,240	990	7,230	11,700	9,800	12,300	7,560

1. Annual income is equivalent to the provincial minimum wage as of 31 December 1979 multiplied by fifty-two working weeks of forty hours each.
2. Net supplementary income is the net cash supplement available from all sources in 1979 at the particular annual minimum wage income (benefits minus taxes and premiums).
3. Total net income is the total of the first two columns.
4. These are Statistics Canada poverty lines, estimated for 1979 from 1978 data and adjusted for size of area of residence.
5. The Canadian Council on Social Development (CCSD) poverty line is based on one-half of average Canadian family income and estimated for 1979 from 1978 data.
6. Social assistance, or welfare, is the level of assistance available for a family of four with "average" needs, plus provincial and federal family allowances and the child tax credit all calculated at the beginning of 1980 (family of four is two adults and two children).
7. Averages are not population weighted.

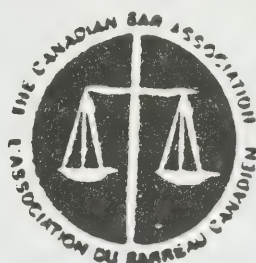
N.B. All figures are rounded to the nearest hundred.

Source: Minimum wages are from an update of Labour Canada, *1979 Labour Standards in Canada* (Ottawa: Supply and Services, 1979); data on supplementary income and social assistance were provided by Canada, National Health and Welfare; poverty lines are estimated from data in Statistics Canada, *Income Distributions by Size in Canada, 1978*; and *Canadian Fact Book on Poverty, 1979* (Ottawa: Canadian Council on Social Development, 1979).

\*

This table is taken from David Ross, *The Working Poor*, Canadian Institute for Economic Policy, Ottawa, 1981, p. 58.

## APPENDIX "FISC-31"



THE CANADIAN BAR ASSOCIATION

SUBMISSION

ON

ESTABLISHED PROGRAMS FINANCING

TO

TO THE PARLIAMENTARY TASK FORCE

ON THE FEDERAL AND PROVINCIAL FISCAL ARRANGEMENTS

MAY 14, 1981

OTTAWA

Appearing before the Parliamentary Task  
Force on the Federal Provincial Fiscal  
Arrangements, on behalf of the Canadian Bar  
Association:

A. William Cox, Q.C., President, Halifax  
David Matas, Chairman of the Constitutional  
and International Law Section, Winnipeg.



## The Power to Spend

The established programs are hospitalization, medicare, and post secondary education. All of them are within exclusive provincial legislative jurisdiction. Federal spending on the established programs is spending on objects beyond regulatory jurisdiction.

The legal basis for the federal (and provincial) spending power has been uncertain. Lord Atkin of the Privy Council has said:

"That the Dominion may impose taxation for the purpose of creating a fund for special programs and may apply that fund for making contributions in the public interest to individuals, corporations, or public authorities could not, as a general proposition, be denied." (1)

However, he also said,

"But assuming that the Dominion has collected by means of taxation a fund, it by no means follows that any legislation which disposes of it is necessarily within Dominion competence. It may still be legislation affecting the classes of subjects enumerated in Section 92, and, if so, would be ultra vires. In other words, Dominion legislation, even though it deals with Dominion property, may yet be so formed as to invade civil rights within the province or encroach upon the classes of subjects which are reserved to provincial competence. It is not necessary that there should be a colourable device or a pretense. If on the true view of the legislation it is found that in reality in pith and substance the legislation invades civil rights within the province or in respect of other classes of subjects otherwise encroaches upon the provincial field, the legislation will be invalid. It would otherwise afford the Dominion an easy passage into the provincial domain."

Mr. Trudeau, when he was a legal academic, pointed out:

"Lord Atkin does not tell us whether, in his opinion, a budgetary law would so encroach if it merely made grants (with certain conditions and in certain areas) to institutions that are under provincial jurisdiction; or whether encroachment occurs only when there is a specific attempt to legislate in these areas. It is, moreover, impossible to know whether his general proposition is a tautology or whether it is intended to authorize grants to institutions that are not under the exclusive control of either the federal or provincial governments; for example, relief funds for victims of disasters, etc. These points should be referred to the Supreme Court for elucidation. (2) "

The British North America Act gives each province exclusive power over "direct taxation within the province in order to the raising of revenue for provincial purposes". The Act gives Parliament exclusive power over "the raising of money by any mode or system of taxation".

The two sections must be construed together. Because the provinces may impose a direct tax for provincial purposes, Parliament may not impose a direct tax for provincial purposes. Parliament may, however, impose a direct tax for federal purposes. (3)

That proposition, though, begs the question. Does "provincial purposes" mean what the province intends for itself, or what the British North America Act intended for the provinces? Does "federal purposes" mean what Parliament intends for itself, or what the British North America Act intended for Parliament? Duff, C.J. of the Supreme Court of Canada said:

"There is, we think, solid ground for the conclusion that the words "for provincial purposes" mean neither more or less than this: The taxing powers

of the legislatures is given to them to raise money for the exclusive disposition of the legislatures." (4)

The judgment of Mr. Justice Duff received the agreement of Mr. Justice Davies. His remarks did not receive the approval of the majority of the Supreme Court of Canada in the case in which he made them, nor of the Privy Council, on appeal. They cannot be taken to have resolved the matter.

Billions of dollars have been spent by both levels of government, federal and provincial, over the years, without certain legal authority to justify that spending. How was it possible for spending of such a magnitude to go unchallenged in the Courts? The answer has to do with the law of standing. Governments did not challenge spending on objects beyond regulatory jurisdiction because they all did it. When it came to cost sharing, they did it with prior agreement. Governments did not want to challenge in Court the validity of their own agreements.

Individuals were not allowed to challenge government spending. The case of Mercer is instructive, because it deals with medicare, one of the established programs. In that case, an individual went to Court for a declaration that the Federal Medicare Act was ultra vires. He asked for an injunction restraining the disbursement of monies pursuant to the Act. The individual's motion was dismissed, in Alberta, at trial, and, on appeal, at the Alberta Court of Appeal, because the individual was not affected by medicare in a manner different



from the ordinary citizen. He did not have the necessary standing to bring the action. The motion was rejected despite the fact that, as the Court of Appeal stated,

"If the province does not choose to contest the validity of the Act, there is nobody else who can do so, because there are no prohibitions or penalties, the breaking of which would permit an offender to plead ultra vires as a defence to proceedings against him." (5)

Since the Mercer case, the Supreme Court of Canada has said,

"Where all members of the public are affected alike...and there is a justiciable issue respecting the validity of legislation, the Court must be able to say that as between allowing a tax payer standing and denying any standing at all, when the Attorney General refuses to act, it may choose to hear the case on its merits." (6)

The Canadian Bar Association proposes a reference to determine whether the spending power is legally valid or not. The law as stated by the Supreme Court of Canada may allow an individual standing to challenge the exercise of the spending power. It would, nonetheless, be more appropriate, when we are dealing with a power of such basic Constitutional importance and, where each individual citizen is affected in the same manner, to have the issue settled on a reference.

### Cost Sharing and Block Funding

In 1977, Canada shifted from cost sharing to block funding of the established programs. With cost sharing, the Government

of Canada spent a dollar on health and education for every dollar the provinces spent. With block funding, the Government of Canada gave to the provinces the dollar equivalent of what cost sharing would have yielded, but without imposing the requirement on the provinces to spend a dollar for every dollar the Government of Canada gave.

There have developed two opposing views of what was intended by this shift from cost sharing to block funding. Cost sharing meant the federal budget was uncontrollable. What the Government of Canada spent on cost shared programs depended on what the provinces spent on the programs. The first view was that the shift to block funding was meant to do only two things. It was meant to put a ceiling on the federal expenditures on health and education. It was also meant to give flexibility, within health and education, as to what health services, what education services were to be financed by the provinces.

Cost sharing was inflexible. Some expenditures were cost sharable. Others were not. Provinces had an incentive to spend on cost shared services. They had a disincentive to spend on non-cost shared services. With block funding, the provincial spending on health and education would be no lower than with cost sharing. It might even increase.

Block funding took the form partly of cash, and partly the transfer from Ottawa to the provinces of tax points. All of the

cash and all of the yield of the transfer of tax points would be spent on health and education. Because federal contributions to health and education were fixed at the level of the block fund, provincial spending would be needed to meet all the percentage increases in spending beyond the proposed percentage increase in the block fund. These increases had, under cost sharing, been half met by the Federal Government. The provincial share of spending on health and education would increase.

The other view was that, at least as far as the portion of the block fund that consisted of the transfer of tax points was concerned, that money could be spent anywhere. It need not be spent on health or education. It could be spent on roads. Block funding meant that the federal share of spending on health and education could increase, not decrease. Or, to put it another way, the federal block fund could be used to replace provincial funds previously spent on health and education. Provincial dollars previously spent on health and education to get the matching federal dollar could now be spent on roads.

Statistically, it is this latter view that prevailed. The figures show that since the end of cost sharing, if we notionally allocate all the block funds to health and education, the federal share of total spending on health and education has increased. The provincial share has decreased. In some years, in some provinces, the federal increase in cash and tax points for health and education is greater than the total increase in spending on health and education in the province.

### Diversion

Because of this shift in the balance of the federal/provincial share of spending on health and education since



the shift from cost sharing to block funding, there have been charges of funding diversion. The charge is that the cash and tax points given by Ottawa to the provinces for health and education were not being spent on health and education.

The Federal/Provincial Fiscal Arrangements Act of 1977 provides that any payment made to a province in respect of hospitalization, medicare or extended health care must be considered to be a payment of an amount by Canada to the provinces in respect of the cost of the program. (7)

Mr. Crombie, when he was Minister of Health, said, of this provision, when he was before the Standing Committee on Health, Welfare and Social Affairs:

"On the question of the tax points, and as to whether or not it can go into roads or whatever, the answer, to that, is yes. The only legal requirement for the spending of federal funds is with the cash payment, a cash payment both in relation to the two major programs of hospital insurance and medical insurance, as well as extended care. But when it came to the tax points, it was simply tax being given and no legal requirements". (8)

In other words, health cash grants were tied. Health tax points and all education transfers, cash and tax points were untied.

The Hall Commission concluded that the allegation that federal health dollars were being diverted was not established. Mr. Justice Hall said,

"Only the cash grant was, (and remains), a conditional payment from the federal government to the provinces,

and it is clear that all of the funds received by the provinces under the cash grant are being allocated to health programs." (9)

The dispute was not so much about the figures, as what was intended by the shift to block funding. Mr. Justice Hall did not find the federal block funds were not directed away from health and education. He found only that the direction which federal block funds took, away from health and education, was something contemplated by the original arrangement.

### Accountability

One disadvantage of spending beyond regulatory jurisdiction is the loss of accountability. Since the same citizens vote in both federal and provincial elections, they must be able to determine readily which government is responsible for what; otherwise the democratic control of power becomes impossible. (10)

For those voters dissatisfied with the present level of services for health or post secondary education, are the provinces to be blamed or the federal government? For those pleased with the present restraint, are the provinces to be congratulated or the federal government?

Did the provinces divert funds? Or did the Government of Canada structure a system that contemplated and allowed for the relative reduction in provincial spending that developed? These are difficult questions for experts, let alone for voters

to sort out. Voters are left in a situation where they do not know who to hold responsible for the health system or for the university system. Once both levels of government are involved, there is a tendency for each level to blame the other for anything that goes wrong.

### The CBA Committee on the Constitution

Though spending beyond regulatory jurisdiction is not on firm legal footing, though spending beyond regulatory jurisdiction creates accountability problems, the Bar does not, in principle, oppose the existence of a spending power. On the contrary, the CBA Committee on the Constitution has supported it. Not having a spending power "assumes that all problems are either totally national or totally local, and these remain static over time... It would be theoretically possible to redefine constitutional powers to meet new situations as they arise. In the real world however, constitutional amendment is a slow process. And even if it could be achieved, it would not necessarily be the best solution. A complete transfer of powers may not effect the best constitutional balance. The federal Parliament can influence action because of its financial strength, but provincial legislative power gives assurance of continuing local direction." (11) In the view of the Committee the federal spending power should be retained.



For federal spending generally, the Committee proposed two restraints. First, spending should be restricted to national purposes and for the general welfare of Canada. Second, spending should be subject to review by a reconstituted Upper House consisting of provincial government delegates. The Upper House would not have a veto. The House of Commons could reenact any spending authorizations not approved by the Upper House.

The Committee noted that for hospitalization and medicare (and the same could be said for post secondary education), the availability of these services is a major factor in facilitating the mobility of Canadians throughout the country. The availability of considerably more health services or post secondary education in one province than another will induce Canadians to remain in the first and shun the second. The inducement of inter-provincial mobility and the prevention of provincial isolation will contribute to Canadians identifying with Canada as a country.

The Committee also noted that the reduction of regional economic disparities is an essential attribute of Canadian federalism, and the federal government is best able to administer the system of redress on a national level. Those who contribute equalization monies should have some control over the spending of the monies to ensure that the monies are indeed spent on the redress of regional disparities. Such control can exist only through the Central Government. The

Committee added that just as there are disparities between provinces, there are disparities between individuals and groups of individuals. To achieve a sense of national community, economic equality of opportunity should exist among individuals. Hospitalization and medicare have an important role in redressing economic disparities. (12)

### The Committee on Constitution and Cost Sharing

For cost sharing the Bar proposed that new programs should not be instituted unless there was prior approval of a sufficient number of provincial legislatures to contribute to a broad national consensus. There would be a national consensus where two-thirds of those voting in a reconstituted Upper House supported the program. There should be a power to opt out. The federal government would have to pay compensation to those provinces that wished to opt out. Compensation would be paid to governments, not to individuals in the provinces. There would have to be portability of benefits for someone who moved from a participating to a non-participating province.

For the Bar Committee, if there were no national consensus, the program would not be undertaken. If one of our largest provinces opted out, or a couple of the smallest provinces opted out, it is likely that the opting out provinces would, in any case, want to set up a program to replace the one in which it refused to participate. That

was the opinion of the Joint Committee of the Senate and the House of Commons on the Constitution of Canada, the Molgat MacGuigan Committee that reported in 1972. (13)

There is no such likelihood with a large number of provinces opting out. With a large number of provinces opting out, we would have a form of block funding.

The Bar Committee contemplated cost sharing in certain provinces only. "Programs that involve federal spending in only one or a few provinces should not be subject to the requirement of a national consensus or the consequential system of compensation that applies to national programs." (14)

The notion of restricted cost sharing is similar to a Hall Commission proposal. The Hall Commission proposed that the federal government cost share for have not provinces additional health services that these provinces want to institute.

This special Joint Committee of the Senate and House of Commons recommended cost sharing up to the national average cost. At the time of their report, in 1972, the National average cost was both a ceiling and a floor for medicare. For post secondary education only the provincial average cost was used. For hospitalization, half the national average cost and half the provincial average cost were used.

The Joint Committee Report noted that cost sharing based on the national average cost contains no incentive for provinces



with low levels of service to improve their services. Cost sharing based on the provincial average cost constitutes too high an incentive to wealthy provinces. Cost sharing based on the provincial average cost with a ceiling at the National average cost gives the poor provinces more of a benefit than the rich provinces. (15)

### The Bar General Position

The position of the CBA in relation to cost sharing is

- (1) Support for cost sharing in all provinces with opting out, compensation and portability
- (2) Support for cost sharing in some provinces without compensation in others
- (3) Support for tied funding
- (4) Opposition to block funding
- (5) Opposition to cost sharing in all provinces without opting out, without compensation, without portability.

The Bar Committee supported block funding as equalization. Block funding, as a cash grant notionally allocated as it is now to post secondary education, but which, legally, need not be spent on post secondary education, is pointless. For the federal government to tax, to give money to the provinces to spend on universities, but which they need not spend on universities, just creates confusion. For Ottawa to transfer tax points, so that the provinces can spend the yield on health and education, but which they need not spend on health and education, creates confusion as well.

Established Programs Financing

The 1977 Act provides for termination of the established programs cash contribution on three years' notice. The Government of Canada should take advantage of this provision and terminate the programs.

The cash contribution to post secondary education is untied. The cash contributions to hospitalization and medicare are tied. Because of the 1977 transfer of tax points, the cash contributions to hospitalization and medicare have become too small an amount by themselves "to influence action", the purpose of federal spending. The cash contributions just allow the provinces to spend less on hospitalization and medicare.

Federal contributions to health and education can influence action only if there is cost sharing, or if the contributions are tied to spending that would not otherwise be incurred. There must be more specific tying than there is now. Federal funds must be directed to purposes that would not otherwise be fulfilled, to projects that would not otherwise be undertaken.

There should be cost sharing in the have not provinces. The cost sharing could be based on the provincial average up to the national average as suggested in the Joint Committee Report. Cost sharing in the have not provinces would fulfill the objective of redressing regional disparities. It would

allow, what is in effect a form of equalization grant, to be used to ensure equality of access to health and post secondary education throughout Canada.

Provided there is a national consensus, portability, and opting out with compensation, Canada should return to cost sharing of the established programs. Opting out with compensation is not the same as block funding. It cannot be undertaken if a significant number of provinces or provinces with a significant percentage of the population want to opt out. Where only one province, or a couple of small provinces opt out, the expectation is, as mentioned earlier, that the compensation would be used for a program similar to the cost shared program.

The requirement of portability would, in any case, be an incentive to set up a program similar to the one being cost shared. Otherwise, a province would have residents some of whom would be entitled to, say, medicare, as an accrued benefit from another province. Other residents, not having come from a participating province, would not be entitled to medicare.

### Conclusions

Federal spending on objects beyond regulatory jurisdiction should be based on a sound legal foundation. The spending should be based on clear principles.

To establish the legal foundation, there should be a reference. To realize the principles, there should be an end



to block funding of the established programs. There should be tied funding, and cost sharing with the have not provinces. There should be a return to cost sharing generally, provided there is a national consensus, opting out with compensation, and portability.

FOOTNOTES

- (1) A.G. Can. v. A.G. Ont.  
(1937) 1 W.W.R. 299 at 315
- (2) "Federalism and the French Canadians", p. 86
- (3) Caron v. The King 1924 A.C. 999  
per Lord Phillimore at p. 1004
- (4) Reference Re the Employment and Social Insurance Act 1936 S.C.R. 399 at 434
- (5) Mercer v. A.G. Can. (1972) 24 D.L.R. (3d) 758
- (6) Thorson v. A.G. Can. (No. 2) (1974)  
43 D.L.R. (3d) 1 at 17
- (7) 1976-7 S.C. Chap. 10, s. 28.1
- (8) Dec. 4, 1979, 12:26
- (9) "Canada's National-Provincial Health Program  
For the 1980,s", p. 11
- (10) Mr. Trudeau, op. cit., p. 80
- (11) Towards A New Canada, p. 75
- (12) Ibid, p. 81
- (13) Constitution of Canada, p. 52
- (14) Towards A New Canada, p. 78
- (15) Constitution of Canada, p. 53

## APPENDICE «FISC-30»

MÉMOIRE PRÉSENTÉ AU GROUPE DE TRAVAIL PARLEMENTAIRE  
SUR LES ACCORDS FISCAUX ENTRE LE GOUVERNEMENT FÉDÉRAL ET LES PROVINCESPAR  
LE CONSEIL CANADIEN DE DÉVELOPPEMENT SOCIAL  
LE 14 MAI 1981

## Introduction

La création du groupe de travail parlementaire sur les accords fiscaux entre le fédéral et les provinces est une nouvelle initiative d'importance dans l'élaboration de la politique fédérale. Ce groupe porte à l'attention du public et du Parlement un certain nombre de choix capitaux à faire relativement aux programmes sociaux qui sont subventionnés conjointement par les gouvernements fédéral et provinciaux.

A titre d'organisme national bénévole engagé dans la recherche et l'élaboration d'une politique visant à l'amélioration de la politique sociale canadienne, le Conseil canadien de développement social salue cette initiative, mais estime nécessaire de se prononcer sur deux aspects préoccupants du processus actuel. D'abord, l'échéancier du comité est trop court pour permettre au Parlement ou à la population de participer pleinement et en toute connaissance de cause au déroulement du processus. Comme de nombreuses autres organisations et parce que nous connaissons bien des aspects cruciaux des programmes qui seront étudiés dans le cadre du mandat du Groupe de travail, nous déplorons d'être très limités par l'échéance et le processus adoptés. La volonté du gouvernement fédéral d'arrêter toutes les décisions d'ici le 31 mars 1982 est bien claire. Il est aussi manifeste qu'on n'a pas prévu un délai suffisant pour s'assurer une pleine et entière consultation.

Notre deuxième préoccupation a trait au fait que la nécessité de renégocier les accords de partage des responsabilités fiscales a été mise en opposition directe avec les besoins auxquels satisfont d'importants programmes sociaux. Ces derniers pourraient être réétudiés et renégociés à l'intérieur d'un cadre qui tienne davantage compte de leur portée nationale. Il n'est peut-être pas approprié de rattacher les accords de péréquation et de partage des responsabilités fiscales au financement des programmes sociaux, mais ces derniers ne doivent pas devenir l'otage dont le sort dépend de l'issue de ces négociations plus globales.

Un autre objet de préoccupation doit être bien souligné: les décisions qui influent sur l'avenir des grands programmes sociaux doivent être prises en tenant compte *en toute objectivité des coûts, de l'efficacité et de la nécessité* de ces programmes. Il serait, à notre avis, bien mal avisé de permettre, qu'en raison d'une lutte dont l'enjeu est la primauté fiscale et politique, soient rejetés dans l'ombre ces facteurs tout à fait essentiels. Nous reconnaissons que le gouvernement fédéral doit faire face à des problèmes de gestion financière, mais nous ne pouvons pour autant admettre avec l'honorable Allan MacEachen que le plus important objectif de ce processus gouvernemental unique est «l'équilibre fiscal». Nous lui préférons une raison qu'a formulée l'honorable Marc Lalonde et selon laquelle

... le devoir prioritaire de ceux qui gouvernent un pays est de prendre les dispositions nécessaires pour assurer à leur citoyens un système qui puisse répondre le mieux à leurs besoins. Ce devoir, une fois acquitté à la satisfaction de tous, il nous sera possible alors d'étudier le partage des responsabilités.<sup>1</sup>

Avant d'aborder des aspects plus précis de notre mémoire, nous aimerions souligner un point très important qui a trait à la portée des restrictions proposées. Quel que soit le programme ou l'ensemble de programmes qui sera finalement retenu pour y effectuer des réductions de dépenses, *la portée des restrictions fédérales sera généralisée et elles toucheront tous les programmes sociaux en raison des systèmes budgétaires provinciaux*. Comme les programmes de santé, de bien-être social et d'éducation se livrent concurrence pour les mêmes crédits provenant des trésors provinciaux, la perte sera ressentie par les trois secteurs, et l'impopularité des hausses fiscales qui en

<sup>1</sup> Marc Lalonde, *Document de travail sur la sécurité sociale au Canada*, Gouvernement du Canada, Ottawa, 1973, page 27.



résulteront sera imputée également aux trois. Le gouvernement fédéral peut donc amorcer un processus qui fera de tout programme social le bouc émissaire du déséquilibre fiscal dont il n'est pourtant pas la cause.

Nous verrons plus loin dans notre mémoire qu'il n'est pas temps de réduire notre engagement national à conserver des programmes sociaux, de santé et d'éducation de base qui en retour assurent notre qualité de vie, maintiennent notre économie nationale et sous-tendent notre stabilité sociale, culturelle et politique. Nous doutons de l'opportunité de sélectionner, en vue de réductions, des programmes qui viennent en aide aux pauvres, aux malades, aux handicapés, aux faibles. Nous proposons plutôt un retour à certains principes (anciens, pas nouveaux) qui pourraient éclairer le processus de prise de décision au niveau fédéral.

Tout en reconnaissant clairement que les gouvernements des provinces n'ont pas suffisamment investi dans l'élaboration et l'amélioration de ces programmes ces dernières années et que la planification et la mise en œuvre des programmes relèvent des provinces, nous tenons à souligner qu'il ne peut être fait abstraction de cinquante années de participation du fédéral au partage des frais dans le but d'élaborer des programmes d'envergure nationale. Le gouvernement fédéral a accepté une obligation à la fois politique et financière et devrait sérieusement reconsidérer ses projets.

### *1. La vaste portée des dépenses sociales et fédérales*

Le débat portant sur les dépenses publiques fédérales et les dépenses publiques globales engagées au titre des programmes sociaux, (santé, éducation et bien-être social) s'oriente souvent en fonction de la conception erronée selon laquelle les dépenses fédérales à caractère social aient connu une explosion ces dernières années et que le Canada risque de s'écarter largement de ses principaux partenaires commerciaux de l'OCDE. Voici donc quelques observations qui devraient contribuer à remettre en perspective ces jugements mal fondés.

a) Depuis 1971, les dépenses fédérales en fonction du P.N.B. sont demeurées relativement stables. Le tableau A1 montre que les dépenses prévues du fédéral (y compris les paiements de transfert) sont en 1980-1981 inférieures à celles de 1975 lorsqu'on les calcule en pourcentage du P.N.B.

b) La part des dépenses totales du secteur public a augmenté au cours de la période de 1970 à 1978 d'environ 37 à 43 p. 100 du P.N.B. (voir tableau A2), mais cette hausse est presque entièrement attribuable à l'augmentation des dépenses provinciales et municipales, et non fédérales.

c) Les dépenses totales du secteur public en matière de politique sociale n'ont progressé que très lentement. Les données figurant au tableau A2 montrent que les dépenses engagées au titre de la santé, de l'éducation et du bien-être sont passées de 19 p. 100 à environ 22 p. 100 du P.N.B. au cours de la période de 1970 à 1978.

d) Les données du tableau A1 montrent qu'au niveau fédéral les dépenses effectuées en 1980 dans le domaine de la santé, de l'éducation et du bien-être social représentent 8 p. 100 du P.N.B., proportion identique à celle qui a été enregistrée en 1975.

e) Environ 90 p. 100 des dépenses fédérales classées comme relevant du «bien-être social» sont effectuées par voie de paiements de transfert directs à des particuliers, sous forme d'allocations familiales, de prestations d'assurance-chômage, de sécurité de la vieillesse, de supplément de revenu garanti, d'allocations aux conjoints, de régime de pensions du Canada, de crédits d'impôt pour enfants, alors qu'une part de 10 p. 100 seulement est transmise dans le cadre du Régime d'assistance publique du Canada (R.A.P.C.) qui est un programme à frais partagés. En vérité, comme le montre le tableau A1, les dépenses relatives au Régime d'assistance publique du Canada, par rapport aux paiements de transfert directs du fédéral, ont en réalité diminué depuis 1971. Or, compte tenu du fait que le gouvernement fédéral assure sa présence ostensible par ces paiements de transfert direct et compte tenu aussi de la part relativement petite qu'occupe le Régime d'assistance publique du Canada, et de l'importance extrême qu'il revêt pour les Canadiens à faible revenu, il est vraiment étrange que ce programme soit le seul de nombreux services sociaux à être visé par une éventuelle restriction.

f) Ni la taille du secteur public du Canada ni les sommes consacrées au bien-être social ne peuvent être considérées comme hors de contrôle lorsqu'on les compare à ceux d'autres pays industrialisés.

Comparativement à d'autres pays industrialisés, le Canada se situe, toutes proportions gardées sous la moyenne eu égard à la taille de son secteur public et des sommes consacrées aux programmes de soutien du revenu. Pour la période de 1974 à 1976 et dans un ensemble englobant 18 pays de l'O.C.D.E., le Canada ne se classait qu'au 12<sup>e</sup>

rang pour les dépenses publiques totales calculées en pourcentage de son P.N.B. Dans 18 pays, les dépenses publiques atteignaient en moyenne 41,4 p. 100 du P.N.B., alors qu'elles n'étaient au Canada que de 39,4 p. 100. Le Canada se situait loin derrière des pays comme la Belgique, le Danemark, la France, l'Allemagne, la Norvège et le Royaume-Uni. Les deux pays ayant les plus fortes dépenses publiques en pourcentage du P.N.B. étaient les Pays-Bas, avec 53,9 p. 100, et la Suède, avec 51,7 p. 100.<sup>2</sup>

En termes de dépenses engagées au titre des programmes de soutien du revenu (notamment les pensions de vieillesse, les allocations familiales, les prestations de maladie et de maternité, les prestations d'assurance-chômage et d'assistance sociale) le Canada occupe un rang légèrement inférieur. Selon les données de 1974, le Canada était le 13<sup>e</sup> de 17 pays de l'O.C.D.E. pour le pourcentage du P.N.B. que représentaient les dépenses engagées au titre du soutien du revenu. La moyenne des 17 pays était de 8,7 p. 100, alors que celle du Canada était de 7,3 p. 100. L'Autriche, avec 15,3 p. 100; les Pays Bas, avec 14,1 p. 100; la Belgique, 14,1 p. 100; la France, 12,4 p. 100 et l'Allemagne, 12,4 p. 100, avaient les plus fortes dépenses engagées au titre des programmes de soutien du revenu.

Il faut toujours évidemment interpréter avec beaucoup de réserve les comparaisons internationales relativement aux rangs et valeurs; néanmoins ces deux ensembles de données donnent vraiment à penser que le Canada se situe sous la moyenne compte tenu de la taille de son secteur public et des sommes consacrées aux programmes de sécurité du revenu. Il faut étudier de près et à la lumière des expériences du secteur public des voisins économiques et des partenaires commerciaux du Canada les arguments en faveur d'une compression du secteur public et, en particulier, des dépenses à caractère social qui veulent qu'on en ait «perdu le contrôle».

## *2. Le rôle du gouvernement fédéral eu égard aux dépenses à caractère social*

Le Conseil aimerait rappeler au gouvernement fédéral qu'il s'est engagé par le passé à jouer un rôle soutenu sur le plan national dans le domaine des programmes sociaux, et affirmer notre appui<sup>3</sup> à cet engagement à un moment où le gouvernement fédéral lui-même semble s'éloigner de cette voie.

Les motifs justifiant la présence très marquée du fédéral se retrouvent dans le document de travail du gouvernement préparatoire à la Conférence constitutionnel de 1968, à savoir:

1. La redistribution du revenu: le gouvernement fédéral a joué un rôle dans la redistribution du revenu à l'échelle nationale, venant ainsi en aide à la population des provinces démunies aux frais des provinces riches. Seul le Parlement du Canada pouvait effectuer une telle redistribution, d'où la nécessité des pouvoirs fédéraux.

2. La raison de «l'esprit communautaire»: la gamme des mesures à caractère social que sont la sécurité du revenu, les allocations familiales, la sécurité de la vieillesse, l'assurance-chômage et d'autres encore, contribue, aux yeux du gouvernement fédéral, à nourrir un sens d'unité nationale. Le versement de prestations en espèces aux particuliers semble être l'avantage le plus tangible que puisse accorder un gouvernement. Par conséquent, le gouvernement fédéral tient à conserver et à exercer ce pouvoir.

3. La raison de «transférabilité»: les Canadiens se déplacent souvent d'une province à l'autre. Il n'est pas souhaitable que les avantages varient grandement entre ces dernières. Des écarts marqués auraient pour effet de priver certaines personnes d'avantages auxquels elles auraient pu aspirer et résulteraient donc en une réduction des mouvements de population.

4. La raison de «politique économique»: parce que les versements de soutien du revenu effectués par le gouvernement fédéral influent sur la demande totale en biens et services, ils lui permettent de stabiliser l'économie. Ainsi le pouvoir du fédéral sur la politique économique passe par l'exercice d'autres pouvoirs dans le domaine social.

5. L'égalité des services: dans le domaine des services sociaux, le gouvernement fédéral était disposé à laisser les provinces jouer un rôle de premier plan. Toutefois, l'intérêt national a été invoqué eu égard aux services sociaux, à savoir celui d'assurer l'égalité des services entre les provinces. Ce but s'est traduit dans l'un

<sup>2</sup>O.C.D.E. *Public Expenditure Trends*, p. 14.

<sup>3</sup>Voir *A Policy Statement on the Canada Assistance Plan et Social Service*, Conseil Canadien de développement social, Ottawa, 1969.



des objectifs centraux de la politique sociale fédérale, affirmée pour la première fois par la Commission royale des relations entre le Dominion et les provinces (1940):

C'est non seulement un devoir national et une exigence de la plus élémentaire fierté, si tant est que le Canada veut mériter le nom de nation, d'assurer à ces gens un niveau de vie moyen et d'égales chances de réussite, mais c'est aussi un devoir que nous imposent l'équité et l'intérêt national; l'équité parce que ces gens ont été les victimes de programmes économiques d'ordre national qui ont enrichi d'autres régions et ont été adoptés dans l'intérêt commun . . . <sup>4</sup>

Cet engagement a été réaffirmé en 1973 par l'honorable Marc Lalonde, alors ministre de la Santé nationale et du bien-être social, qui définissait la proposition devant orienter son document de travail préparatoire à l'étude fédérale-provinciale de la sécurité sociale qui était sur le point de démarrer:

Que, pour mieux lutter contre la pauvreté grâce à une juste répartition du revenu entre tous les canadiens et pour favoriser l'unité du pays en éliminant les disparités extrêmes du revenu, le parlement du Canada fixe, pour le pays, des taux minimaux pour les allocations administrées et financées par le gouvernement du Canada. En outre, que le parlement définisse des normes par voie législative pour ce qui touche les prestations versées en vertu de ces programmes, lorsque de telles normes sont nécessaires pour fixer les sommes totales que le parlement est prêt à verser au titre des programmes.<sup>5</sup>

En 1981, toutefois, cet engagement à assurer une forte présence du fédéral dans le domaine social semble vaciller. Nous sommes vraiment intrigués d'avoir entendu le Premier ministre faire allusion au travail de ce groupe de travail dans la réponse qu'il a fournie à une question qui lui a été posée au cours d'une conférence de presse le 12 février 1981:

JEFF SIMPSON (*Globe and Mail*): Monsieur, j'aimerais vous poser une question sur les négociations des accords fiscaux que vous allez entreprendre cette année avec les provinces, et qui risquent d'être extrêmement difficiles.

Je voudrais vous demander . . . M. MacEachen a dit à la Chambre des communes, en reprenant ce qui est contenu dans le budget, que l'enveloppe de la politique sociale s'accroît plus lentement que les autres et que le gouvernement cherchera à économiser.

J'aimerais vous demander d'abord si vous prévoyez que les négociations seront très difficiles. Deuxièmement, quels objectifs précis le gouvernement vise-t-il au cours de ces négociations, mis à part les simples économies? Troisièmement, en termes généraux, croyez-vous que ces négociations font parties d'un effort que le gouvernement fédéral doit entreprendre pour renverser la tendance qu'il perçoit comme une décentralisation excessive du pays.

M. TRUDEAU: Vous parlez d'une décentralisation excessive et vous semblez vous en inquiéter. Je veux bien vous admettre que c'est une inquiétude et je ne veux pas préjuger de la solution qu'on trouvera à cette inquiétude parce que divers moyens s'offrent à nous. Cependant, j'ai vu des chiffres qui démontrent qu'en 1959, il n'y a pas si longtemps de cela, les dépenses publiques du fédéral représentaient 52 p. 100 du total des dépenses publiques par rapport à 48 p. 100 pour les provinces et les municipalités. Exactement 20 ans plus tard, en 1979, la situation a changé de façon dramatique: le fédéral, le tiers des dépenses (33,2 p. 100) et les provinces et les municipalités, les deux tiers, (66,8 p. 100).

Ainsi, il ne fait donc aucun doute qu'en termes de fiscalité et de dépenses, il s'est produit une décentralisation très dramatique au cours des 20 dernières années. Et je vous dirai très franchement que je ne crois pas que cela puisse continuer. Il faut y mettre un terme. Et c'est le problème que nous tentons de résoudre.

C'est là un problème que M. MacEachen a soulevé avec ses homologues provinciaux. Nous n'avons aucune solution facile à proposer. Nous ne prévoyons certainement pas résoudre ce problème au détriment des pauvres ou des malades, mais nous croyons que les gouvernements fédéral et provinciaux devraient tenter ensemble de

<sup>4</sup>Andrew Armitage, *Social Welfare in Canada*, McClelland and Stewart Ltd., Toronto, 1975, pp. 58-59; voir aussi, *Sécurité du revenu et services sociaux*, Imprimeur de la Reine, Ottawa, 1969.

<sup>5</sup>Marc Lalonde, *Document de travail sur la sécurité sociale au Canada*, pp. 28-29.



trouver les moyens de, disons, renverser cette tendance qui loin d'être marginale est, comme je l'ai dit, très réel'e et très inquiétante.<sup>6</sup>

Deux aspects de cette réponse nous rendent perplexes, et nous aimerons avoir quelques précisions. D'abord, comment le gouvernement fédéral peut-il renverser une tendance à la décentralisation en réduisant les dépenses dans le secteur des programmes sociaux? Puisque les provinces ont la responsabilité constitutionnelle de la santé, de l'éducation et des services sociaux, une réduction des contributions fédérales n'entraînera-t-elle pas simplement une augmentation supplémentaire des dépenses provinciales, ce qui ne fera qu'aggraver le présent déséquilibre fiscal? Et pourquoi, parmi tous les secteurs de dépenses au titre de programmes, doit-on s'attaquer aux programmes sociaux? Deuxièmement, nous ne voyons pas comment, en choisissant de réduire les programmes sociaux à frais partagés, et le R.A.P.C. en particulier, on peut résoudre ce problème, si ce n'est au détriment des pauvres et des malades. C'est prévisible et inévitable, et si les propos du Premier ministre sont compatissants, les gestes qu'il se propose de prendre ne le sont pas.

### *3. Pourquoi viser les programmes sociaux?*

Le Conseil voudrait avoir ce qui a changé entre 1968 et 1973 pour modifier l'engagement du gouvernement à une participation permanente et importante dans le secteur des programmes sociaux. Nous croyons que le principe d'une forte participation fédérale n'est pas moins valable aujourd'hui qu'il ne l'était en 1968 et en 1973, et il peut, en fait, ne l'être que davantage. Par exemple, tandis que les paiements de péréquation contribuent dans une certaine mesure à mieux répartir les revenus entre les provinces riches et pauvres, quand nous examinons les revenus des Canadiens et des familles canadiennes pour les trois dernières décennies, nous constatons qu'aucune réduction de l'inégalité ne s'est réalisée. Les 20 p. 100 au bas de l'échelle ne touchent toujours que 4 p. 100 du total des revenus canadiens et les 20 p. 100 au haut de l'échelle en touchent toujours 40 p. 100. En conséquence, la nécessité d'un effort accru de la part du gouvernement fédéral en vue d'améliorer le sort des Canadiens à faible revenu, demeure.

Si l'on parle des objectifs dont la promotion de «l'esprit communautaire» et la «transférabilité», une forte participation du gouvernement fédéral demeure une priorité même aujourd'hui. Étant donné que les échos de «séparation» nous parviennent de tous les coins du pays, il est important que le gouvernement fédéral s'occupe de promouvoir l'identité ou la présence canadienne, ce qui permet aux Canadiens de se déplacer dans tous le pays en sachant qu'il existe dans chaque province des normes minimales de santé, d'éducation et de sécurité du revenu. Comment douter que le principal motif qui sous-tend les programmes sociaux R.P.C./R.R.Q., S.V./S.R.G./A.C., allocations familiales, crédit d'impôt pour enfants, assurance-chômage, assurance-maladie, aide à l'éducation post-secondaire et les services financés par le Régime d'assistance publique du Canada, c'est de permettre aux Canadiens de se déplacer dans tout le pays pour chercher un autre emploi sans avoir à envisager une réduction considérable du niveau de vie minimal et de la sécurité sociale.

En outre, de nombreux programmes de sécurité du revenu, tels l'assurance-chômage et l'assistance sociale, ont contribué dans de nombreuses régions durement frappées par le chômage à assurer la survie des économies locales. L'effet de stabilisation automatique des prestations de sécurité du revenu constitue un élément important de la «politique économique» du gouvernement fédéral. Étant donné les prévisions de chômage à moyen terme déposées avec le budget fédéral d'octobre dernier, il semblerait indispensable de prévoir l'augmentation, et non la baisse, des dépenses au titre de la sécurité du revenu, du moins jusqu'en 1985.

En général, le Conseil félicite le gouvernement fédéral de sa forte participation dans les secteurs de la sécurité du revenu, de la santé et de l'éducation post-secondaire au cours des deux dernières décennies. Elle a donné des résultats très positifs. Néanmoins, il reste beaucoup de chemin à faire. Si l'on ne songe qu'aux services sociaux et aux paiements de revenu aux Canadiens à faible revenu, un grand écart existe toujours entre les provinces et, même dans les provinces les plus généreuses, les services sociaux et les programmes de soutien du revenu sont inadéquats.

Bien qu'on ne compile aucune statistique dans ces domaines, nous savons, par exemple, que des travailleurs refusent des mutations d'une province à l'autre parce que les services et l'aide aux enfants souffrant de difficultés d'apprentissage ne sont pas disponibles dans l'autre province. On peut trouver nombre d'exemples de pareilles situations, et si le gouvernement fédéral songe à ne plus participer aux programmes à frais partagés (ou aux transferts directs aux particuliers), il faut donc s'attendre à ce que les disparités provinciales s'accroissent.

<sup>6</sup>\*Les mots soulignés sont de l'auteur.

Par conséquent, nous n'arrivons pas à comprendre pourquoi les programmes sociaux sont menacés de coupures. Comme nous l'avons signalé plus haut (et au tableau A1), le gouvernement fédéral a attribué, en 1980, la même proportion du P.N.B. aux dépenses fédérales en matière de santé, d'éducation et de bien-être qu'en 1975. Et en proportion du budget fédéral, environ 60 p. 100 des dépenses fédérales sont destinées à des programmes autres que sociaux. Si des coupures doivent être effectuées, doivent-elles toutes l'être dans les programmes sociaux qui représentent 40 p. 100 seulement des dépenses fédérales? Et comme nous l'avons déjà signalé, le Canada fait piètre figure par rapport aux pays de l'OCDE quant à la somme qu'il consacre aux programmes de soutien des revenus. Vu d'une perspective internationale, il n'y a pas un grand écart entre le Canada et les autres pays industrialisés.

Les projets de coupure sont particulièrement inquiétants à une époque où de nombreux Canadiens craignent que le gouvernement fédéral ne se désintéresse des normes nationales, notamment en ce qui a trait à l'assurance-maladie. En 1977, le gouvernement fédéral avait sanctionné, et même encouragé, l'adoption d'un mécanisme de financement en matière de santé et d'éducation post-secondaire qui créait un apport inconditionnel de fonds dans ces deux secteurs. Dans celui de la santé, l'élimination des conditions d'obtention de subventions normalement fixées par les lois en matière d'assurance-maladie et hospitalisation a donné lieu à la pratique de «facturation supplémentaire», ce qui fait que de nombreux Canadiens paient davantage pour des soins financés auparavant à l'aide des fonds publics et «garantis» par le gouvernement fédéral.

Nous ne comprenons pas pourquoi le gouvernement fédéral réagit à cette situation en proposant une réduction du financement. Étant donné l'importance vitale du financement fédéral dans les secteurs de la santé, de l'éducation et du bien-être social, il semblerait plus normal non seulement que le gouvernement maintienne la circulation des fonds mais aussi qu'il garantisse que ces fonds s'inscrivent dans le budget des dépenses sociales des provinces. Si l'on estime que les dépenses provinciales doivent être équivalentes à celles du gouvernement fédéral dans les programmes à frais partagés, cette exigence devrait être contrôlée et mise à exécution.

#### *4. Le rôle du gouvernement fédéral dans le soutien des revenus et les services sociaux*

Le principal souci que le Conseil souhaite porter à l'attention du Groupe de travail, c'est la situation désespérée des trois millions et demi de Canadiens qui vivent en deça du seuil de pauvreté. Nous désirons insister sur l'importance pour ces personnes du financement du gouvernement fédéral et prôner une augmentation, non une diminution, des dépenses. Nous allons démontrer que même aujourd'hui, et malgré l'appui financier considérable consenti par le gouvernement fédéral, de grands écarts existent au niveau provincial entre les niveaux de soutien des revenus et l'accès aux services sociaux et la qualité de ceux-ci, que dans toutes les provinces, le niveau de soutien des revenus et les services sociaux disponibles sont inadéquats en fonction des normes couramment acceptées, et que l'écart de revenu entre les riches et les pauvres n'a pas diminué au Canada au cours des trois dernières décennies.

Le Groupe de travail doit aussi savoir que le nombre de familles canadiennes vivant dans la pauvreté, s'il semblait diminuer, est resté stable depuis 1974 qu'il semble augmenter, depuis quelques années comme l'illustre le tableau AI. Le Conseil ne s'en étonne pas puisque les tendances récentes de baisse des revenus réels, d'augmentation des prix et de chômage élevé ont causé plus de tort aux familles à faible revenu qu'à toutes les autres familles canadiennes. Étant donné les prévisions établies par le gouvernement fédéral annonçant le maintien des forts taux de chômage et d'inflation et la stabilité relative des revenus réels, on peut s'attendre que le nombre de famille en deça du seuil de pauvreté augmente à l'avenir et qu'un nombre toujours croissant de ces familles se trouvent dans la catégorie des «petits salariés».

L'appui financier consenti par le gouvernement fédéral aux Canadiens à faible revenu provient de deux principales sources. La première consiste en transferts directs aux particuliers dans le cadre du R.A.P.C., C.A.C., SV/SRG/AC, allocations familiales et le crédit d'impôt pour enfant. Ces transferts directs ont augmenté considérablement au cours des dernières décennies comme l'illustre le Tableau I. Il ne faut pas oublier que ces programmes ne sont pas destinés en totalité aux familles à faible revenu bien que les Canadiens dans cette situation puissent profiter de ces avantages s'ils sont admissibles. Par ailleurs, puisque ces prestations sont des transferts directs provenant du gouvernement fédéral, celui-ci est le seul à récolter des bénéfices politiques découlant de ces dépenses.

Les programmes à frais partagés avec les provinces (qui peuvent à leur tour partager les frais avec les municipalités) constituent la deuxième source de soutien du revenu et de services sociaux destinés aux Canadiens à



faible revenu. L'historique de ces paiements sociaux à frais partagés est long, et remonte à tout le moins à la loi de 1927 sur les pensions de vieillesse attribuées après examen des ressources et des besoins. D'autres Canadiens défavorisés et «méritoires» touchant un faible revenu ont par la suite été inclus dans les programmes fédéraux-provinciaux de partage des frais grâce à l'adoption de diverses lois: l'inclusion, en 1937, des aveugles à faible revenu grâce à la modification de la Loi sur les pensions de vieillesse; l'inclusion en 1954 des invalides à faible revenu; et l'adoption en 1956 de la Loi sur l'assistance-chômage qui prévoyait le versement de prestations aux chômeurs canadiens à faible revenu qui n'étaient pas admissibles à l'assurance-chômage.

Ces lois contenaient diverses dispositions de partage des frais et des restrictions d'admissibilité. En 1966, ces lois ont été remplacées par le Régime d'assistance publique du Canada, qui visait à créer un régime de partage par moitié des frais des prestations versées aux Canadiens à faible revenu et à établir le «besoin» financier comme critère de base d'admissibilité aux prestations. En plus de couvrir les personnes âgées, les aveugles, les invalides et les chômeurs, le R.A.P.C. ouvrait aussi les programmes à frais partagés aux familles touchant des prestations de bien-être provinciales et municipales, aux «petits salariés» et aux financement d'une vaste gamme des services sociaux destinés aux nécessiteux ou aux «quasi-nécessiteux». Les chiffres donnés au tableau AI démontrent qu'au cours des années 1970, les dépenses fédérales au titre du partage des frais du R.A.P.C. ont été inférieures aux transferts directs par le gouvernement fédéral aux particuliers et qu'elles sont égales à seulement 10 p. 100 environ de ces transferts directs.

Contrairement aux transferts directs du gouvernement fédéral dont il est question plus haut, les prestations et services dans le cadre du R.A.P.C. sont largement destinés aux Canadiens à faible revenu, et comme ces programmes sont administrés par les gouvernements et organismes provinciaux et municipaux, les avantages politiques découlant de ces programmes sont récoltés presque entièrement par ces derniers.

#### *5. Le soutien du revenu et les services sociaux destinés aux Canadiens à faible revenu*

Étant donné l'insuffisance des renseignements disponibles, il est difficile de se faire une idée exacte des différences et des lacunes des programmes sociaux mis en œuvre dans tout le pays. C'est ce qui explique que nous nous soyons limités dans ce mémoire à deux sujets: le soutien du revenu et les garderies de jour. Même dans ces deux domaines, les chiffres et renseignements disponibles sont incomplets, toutefois grâce à nos contacts quotidiens avec les responsables de l'assistance et les usagers des services, avec les conseillers, les agences d'aide, les conseils de planning etc. dans tout le Canada, nous avons pu nous rendre compte de l'inégalité et des insuffisances, aussi bien de l'aide au revenu que des services sociaux mis à la disposition des Canadiens à faible revenu.

La plupart des mesures d'aide et services disponibles passent par le régime d'assistance publique du Canada. Il apparaît donc que toute limitation imposée au financement du régime frappe directement les Canadiens qui peuvent justement le moins accepter de nouvelles restrictions en matière de revenu et de services sociaux. Pour eux, les insuffisances actuelles ne feront que prendre plus d'ampleur.

#### *Soutien du revenu*

Le graphique 1 et le tableau 1 indiquent, pour l'année 1979-1980, l'aide mise à la disposition des «travailleurs nécessiteux» et des «assistés sociaux nécessiteux». Le graphique 1 porte sur les travailleurs nécessiteux, c'est-à-dire les Canadiens qui disposent, pour l'essentiel, de revenus provenant d'un emploi, mais se situent tout de même au-dessous du seuil de pauvreté défini par Statistique Canada. Il montre les inégalités entre les provinces en matière d'aide au revenu des travailleurs nécessiteux, lesquels peuvent rarement prétendre aux prestations de l'assistance sociale.

Il est important de remarquer que les provinces Atlantiques, l'Alberta et la Colombie-Britannique dispensent une aide au revenu uniquement par le biais des allocations familiales fédérales et du crédit d'impôt pour enfant. En 1979, seule la Saskatchewan et le Québec ont fourni une véritable assistance au revenu des plus démunis. (Au Manitoba, elle a été augmentée cette année).

Le tableau 1 permet de mettre en regard le revenu net d'un travailleur qui touche le salaire minimum et qui a une épouse et deux enfants à charge, le seuil de pauvreté adopté. La somme des gains provenant d'un travail et de l'assistance au revenu (colonne 3) ne permet dans aucune province de franchir le seuil de pauvreté.



Le même tableau 1 (colonne 7) donne le taux d'assistance sociale (bien-être) mise à la disposition d'une famille de quatre. Les inégalités entre les provinces représentent encore le trait caractéristique le plus évident. C'est ainsi que l'assistance en Alberta est de deux tiers plus élevée qu'en Nouvelle-Écosse. Il serait difficile de prétendre que ces différences ne font que refléter celles du coût de la vie d'une région à l'autre. De plus, la plupart des taux d'assistance sociale restent bien inférieurs à ce qui permettrait de franchir le seuil de pauvreté.

Au cas où le gouvernement fédéral envisagerait de réduire le financement du régime d'assistance publique du Canada, on peut imaginer quelle aggravation des inégalités et des insuffisances, il en résulterait lesquelles sont déjà inquiétantes.

### *Services de garderie*

Tout comme pour l'assistance au revenu, les services de garderies disponibles diffèrent beaucoup d'une province à l'autre, et pour l'essentiel, ils sont insuffisants et ne répondent pas aux besoins actuels. Une étude ré100<sup>e</sup> faite dans tout le Canada et financée par le gouvernement de l'Alberta, portant sur les garderies, montre qu'en 1980, le nombre de places disponible pour 100 enfants d'âge préscolaire, allait de 8 en Alberta à une à Terre-Neuve. La moyenne canadienne rétablissait à quatre places pour 100 enfants.

Cette étude a également révélé de criantes disparités dans la prise en charge, par le secteur public, des dépenses totales des garderies (graphique A2 en annexe). La participation publique allait de 79 p. 100 en Colombie-Britannique à 10 p. 100 au Nouveau-Brunswick, et la moyenne canadienne était de 40 p. 100. Étant donné l'importance de ces garderies pour les familles de travailleurs nécessiteuses, il est encore plus surprenant de remarquer à quel point peuvent varier les frais par ces services assumés par un parent seul, gagnant moins de \$10,000 par an. Ces frais peuvent aller de \$20 par enfant en Colombie-Britannique, en Saskatchewan et en Ontario, à \$85 en Nouvelle-Écosse et \$150 à Terre-Neuve (graphie A3 en annexe).

Aucune norme n'a été fixée concernant le nombre de places disponibles dans les garderies pour une population infantine donnée. Or, comme le faisait remarquer un éditorial du *Toronto Star* (30 janvier 1981) le retard du Canada par rapport aux autres pays industrialisés est considérable. En France, 100 p. 100 des enfants de 3 à 6 ans ont une place dans des garderies, tandis qu'en Suède, la proportion n'est que de 55 p. 100. Au Canada, 16 p. 100 des 3 à 6 ans sont pris en charge par des services de garderie. Il est clair que sans garderies adéquates et abordables économiquement, les Canadiens défavorisés ne peuvent s'attendre à améliorer leur situation qui ne cesse de se détériorer en raison des argumentations du coût de la vie et du chômage. Dans un nombre croissant de familles canadiennes, où deux personnes travaillent, cette décision n'a été prise que sous la pression de la nécessité économique.

Les chiffres que nous présentons soulignent la nécessité d'une participation fédérale soutenue, au financement des garderies, afin de les rendre d'un accès facile dans tout le Canada. Il est à ce sujet regrettable que le projet de loi de financement des services sociaux ait été retiré en 1978 par le gouvernement fédéral. Cette loi aurait beaucoup fait pour améliorer la situation de ces services, grâce à la formule proposée, laquelle prévoyait, par les provinces dont les dépenses par habitant étaient inférieures à la moyenne nationale, des augmentations de crédit.

### *6. Les besoins à venir en matière de services*

Nous avons jusqu'ici mis l'accent sur les inégalités observées d'une province à l'autre en matière de service sociaux, et avons fait état des besoins qui restaient à satisfaire. Nous manquerions à notre tâche toutefois, si nous oublions de mentionner les tendances sociales qui se font déjà jour, et qui ne manqueront pas d'avoir des répercussions sur les dépenses sociales de demain. De nombreuses tendances ont pu être décelées; nous avons pour notre part, choisi d'examiner les conséquences de l'évolution de la pyramide des âges au Canada.

La population canadienne vieillit. Depuis la fin de la Deuxième Guerre mondiale, la population était essentiellement «jeune». Dans le courant des années 60 près de la moitié de notre population avait moins de 24 ans. Pourtant, au début du siècle prochain, ces mêmes personnes de moins de 24 ans représenteront moins de un tiers de la population, et 28 p. 100 en 2031. Par contre, les personnes de plus de 65 ans constituaient 8 p. 100 seulement de la population en 1975, et cette proportion atteindra 12 p. 100 en 2001 et 20 p. 100 en 2031.

Les besoins en ressources hospitalières dépendent essentiellement du nombre de personnes qui doivent être admises dans des établissements. En 1975, les personnes de plus de 65 ans représentaient 8,6 p. 100 de la population, mais occupaient 38 p. 100 des lits disponibles dans les hôpitaux canadiens. *Si la capacité d'accueil des hôpitaux et les taux d'occupation restent ce qu'ils sont, l'accroissement de la population des plus de 65 ans fera que ceux-ci occuperont 59 p. 100 des lits en 1991, 71 p. 100 en 2001, 80 p. 100 en 2011 et 99 p. 100 en 2021*<sup>7</sup>

Nous savons tous à quel point il est difficile en 1980 de débloquer des crédits pour ajouter des lits dans les hôpitaux. Dans l'avenir, il ne sera pas plus facile d'obtenir ces fonds destinés à des établissements très coûteux. Une partie de la réponse réside donc dans le développement d'une santé non institutionnalisée et de services sociaux tels que les services et soins à domicile, permettant d'éviter l'hospitalisation des plus âgés dans des cas où elle n'est pas absolument nécessaire. La mise en place de ces services ne sera pas aussi coûteuse que la construction d'hôpitaux et leur dotation en personnel, mais elle exigera de plus en plus de crédits.

Certaines provinces ne font que commencer à développer des programmes d'aide à domicile. Nous pensons que sans assistance fédérale (organisation et financement,) certaines provinces ne pourront tout simplement pas continuer à investir dans des programmes de prévention, et la crise risque encore de s'aggraver.

## 7. Conclusion

Dans nos remarques liminaires nous avons exprimé certaines de nos appréhensions en ce qui concerne le mandat de ce groupe de travail, lequel semble orienté plus vers une solution des problèmes comptables et budgétaires que vers une prise en charge réelle des besoins sociaux. Tout en reconnaissant l'importance des équilibres budgétaires dans notre État fédéral, nous cherchons à mettre le doigt sur certaines réalités sociales et économiques importantes auxquelles les Canadiens et leur gouvernement seront confrontés dans un proche avenir. À la lumière des faits exposés, il apparaît que les gouvernements du Canada devront vraisemblablement assumer des augmentations de dépenses sociales, inévitables, et qu'il n'y aura pas moyen de les réduire.

a) Au mois d'avril de cette année, le rythme de l'inflation, rapporté à un an, était de 12,2 p. 100. Un taux d'inflation élevé a deux conséquences, en ce qui concerne les citoyens à faible revenu. Pour les travailleurs nécessiteux, et à moins que leur maigre salaire ne croisse aussi vite que l'inflation ne progresse, le risque est grand qu'ils n'optent pour l'assistance sociale puisque le revenu qu'ils tirent de leur emploi devient de plus en plus négligeable. Pour ceux qui vivent d'assistance sociale, et notamment les plus âgés, les handicapés ou ceux qui ont des enfants à charge, l'inflation fait fondre un revenu déjà insuffisant. Comme le fait remarquer un rapport récent,<sup>8</sup> le pouvoir d'achat, en Ontario, d'une personne handicapée et seule, percevant une aide au titre du système de revenu annuel garanti-handicapé, a été réduit de \$773 (19,6 p. 100) entre 1975 et 1980. Pendant la même période, le pouvoir d'achat d'une mère seule avec un enfant à charge et touchant les allocations familiales provinciales a été réduit de \$874 (16 p. 100).

b) Les augmentations du prix de l'énergie prévues par le budget d'octobre auront pour conséquence une érosion importante du pouvoir d'achat des défavorisés. Nous pensons qu'une famille à faible revenu (qui se situe dans la tranche inférieure des 20 p. 100 les plus pauvres) devra affronter une augmentation nette en dépenses d'énergie qui passeront de 12,6 p. 100 de son revenu (1979) à près de 21 p. 100 en 1984, soit une hausse de \$1,098.

Lorsque ces augmentations du prix de l'énergie ont été annoncées par le gouvernement fédéral à l'automne dernier, notre organisation s'est inquiétée de ce qu'aucune mesure correspondante n'avait été prévue pour en atténuer les conséquences auprès des Canadiens les plus démunis. Le temps ayant passé, et après avoir fait des analyses détaillées à cet égard nous tenons à rappeler ici le caractère préoccupant de la situation. Ces augmentations se reporteront, par ailleurs, directement, par le coût des programmes sociaux de l'avenir. Les programmes de transfert de revenu, fédéral et provincial, seront de plus en plus soumis à des pressions, afin que les versements aux particuliers et aux familles au-dessous du seuil de pauvreté soient accrus. Vu les chiffres que nous avons présentés,

<sup>7</sup>I.A. Lefebvre, Z. Zoigmond, J. Devereaux, *Hopitaux horizons 2031*, Stat. Can. Ottawa, p. 16

<sup>8</sup>*And the Poor Get Poorer: A Study of Social Welfare Programs in Ontario*, Ontario Welfare Council and Social Planning Council of Metropolitan Toronto, Toronto, 1981, pp. 5-11. (*Et les pauvres sont de plus en plus pauvres: Étude des programmes d'assistance sociale en Ontario—Conseil ontarien de l'assistance sociale et Conseil de planification sociale du Toronto métropolitain*)



en matière d'érosion du pouvoir d'achat des bénéficiaires de l'assistance sociale, il est juste de mettre les responsables en garde contre la vigueur avec laquelle ces pressions seront exercées.

c) Le chiffre déclaré de chômeurs au Canada est à l'heure actuelle de plus de 800,000. La plupart des dernières statistiques signalent une chute du chômage, mais le budget d'octobre dernier prévoit une reprise portant celui-ci à 8,5 p. 100 dans l'année courante, ce qui représenterait plus de 1 million de sans-emploi. Certes de nombreux chômeurs ont droit à l'assurance-chômage, toutefois au fur et à mesure de l'aggravation du chômage, les personnes qui ne peuvent plus toucher les prestations sont inévitablement transférées à la charge des programmes d'assistance sociale de la province. Si le chômage s'accroît autant que le prévoyait le budget d'octobre, les gouvernements provinciaux et les autorités municipales devront prendre en charge des dépenses d'assistance sociale plus élevées, sans pouvoir s'y soustraire.

Nous avons dressé un tableau plutôt sombre de la situation des groupes défavorisés de la société canadienne, mais nous pensons par ailleurs que les travailleurs nécessiteux sont ceux qui sont le plus désavantagés par la situation économique actuelle du Canada. Au fur et à mesure que le coût de la vie augmente, et que par ailleurs les salaires sont dépassés par l'inflation, il est de plus en plus probable que bon nombre d'entre eux fassent appel à l'assistance sociale. Dans son document de travail sur la sécurité sociale publié en 1973, le gouvernement fédéral a résumé la situation des travailleurs nécessiteux d'une façon qui a gardé toute sa portée en 1981:

«il faut maintenir une juste corrélation entre les revenus des personnes qui ne touchent que le salaire minimum ou guère plus, les revenus garantis que perçoivent les personnes incapables de travailler et les allocations versées à celles qui sont en mesure de travailler mais qui se trouvent sans emploi».<sup>9</sup>

Comme nous l'avons recommandé par le passé, et comme le concluait en 1976 la Révision de la sécurité sociale, le gouvernement fédéral devrait chercher par tous les moyens à assister les travailleurs nécessiteux. Cet objectif pourrait être atteint en augmentant les versements d'assistance aux provinces afin d'établir ou d'améliorer les dispositifs de complément de salaire mis en place. On pourrait également améliorer ou élargir les mesures d'abattements fiscaux qui ont déjà fait leur preuve, comme le crédit d'impôt pour enfant, ou mettre en place un crédit d'impôt pour l'énergie.

Le moment serait mal choisi de procéder à des coupures dans le budget des dépenses sociales du Canada. Y procéder en invoquant l'argument de l'équilibre budgétaire, sans tenir compte des besoins des Canadiens les plus défavorisés, reviendrait à leur faire payer le prix de ce qui n'est en définitive qu'un conflit entre gouvernements.

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<sup>9</sup>Marc Lalonde, *Document de travail sur la sécurité sociale du Canada*, Ottawa, 1973, page 13.



TABLEAU A1  
TOTAL DES DÉPENSES PUBLIQUES FÉDÉRALES SELON CERTAINES CATÉGORIES CHOISIES  
EN DOLLARS ET EN POURCENTAGE DU P.N.B. 1979-1980  
(milliards de \$)

	1971		1973		1975		1977		1979		1980*	
	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.
Allocations familiales	.62		.71		2.0		2.1		1.7		1.8	
A.C.	.89		2.0		3.2		3.9		4.0		4.2	
S.V./S.R.G./A.C.	2.1		2.8		3.7		4.7		6.1		7.4	
R.P.C.	.13		.25		.82		1.0		1.5		2.0	
R.A.P.C.	.47		.49		.53		.98		1.6		1.9	
<b>TOTAL (ASSISTANCE SOCIALE)</b>	<b>4.2</b>	<b>4.5</b>	<b>6.2</b>	<b>5.1</b>	<b>10.3</b>	<b>6.2</b>	<b>12.7</b>	<b>6.1</b>	<b>14.9</b>	<b>5.7</b>	<b>17.3</b>	<b>6.0</b>
Assurance-maladie	.56		.68		.78		1.0		1.4		1.5	
Hospitalisation	.80		1.0		1.6		1.9		2.6		2.6	
<b>TOTAL (SANTÉ)</b>	<b>1.36</b>	<b>1.4</b>	<b>1.7</b>	<b>1.4</b>	<b>2.4</b>	<b>1.4</b>	<b>2.9</b>	<b>1.4</b>	<b>4.0</b>	<b>1.5</b>	<b>4.1</b>	<b>1.4</b>
Éducation	.46		.49		.51		.91		1.5		1.6	
<b>TOTAL (S.É.AS.)</b>	<b>6.0</b>	<b>6.4</b>	<b>8.5</b>	<b>6.9</b>	<b>13.2</b>	<b>8.0</b>	<b>16.5</b>	<b>7.9</b>	<b>20.4</b>	<b>7.8</b>	<b>23.0</b>	<b>8.0</b>
Total fédéral	17.0		23.0		34.9		43.7		53.1		59.9	
P.N.B.(\$)	94.4		123.6		165.3		208.8		260.3		288.1	
Total fédéral/% P.N.B.		18.0		18.6		21.1		20.9		20.4		20.8
Total R.A.P.C./Autres % Bien-être (Transferts directs) (Excluant C.I.E.)		12.6		8.4		5.4		8.4		12.0		12.3
Total R.A.P./Autres % Bien-être (Incluant C.I.E.*)		12.6		8.4		5.4		8.4		11.2		11.6

Source: Chiffres pour 1971-1979 des *Comptes nationaux* (13-201). Le budget de 1980 est le budget fédéral pour l'exercice 1980-1981, tiré des *Finances nationales*—Association canadienne d'études fiscales. Les chiffres de 1980 ne sont pas absolument comparables aux chiffres précédents en raison d'une fin d'année particulière. Par ailleurs, le calcul pour 1980 de la dépense fédérale en % du P.N.B. n'est pas absolument comparable en raison de fins d'années différentes. Les versements fédéraux comprennent les transferts intergouvernementaux.

\*C.I.E. (Crédit d'impôt pour enfant(s) introduit en 1978)

C.I.E.: Budget pour 1979 = \$0,96 milliard; pour 1980 = \$1,04 milliard (accroissement net)

TABLEAU A2  
DÉPENSES PUBLIQUES TOUS PALIERS (TOTAL)  
SANTÉ, ÉDUCATION ET BIEN-ÊTRE

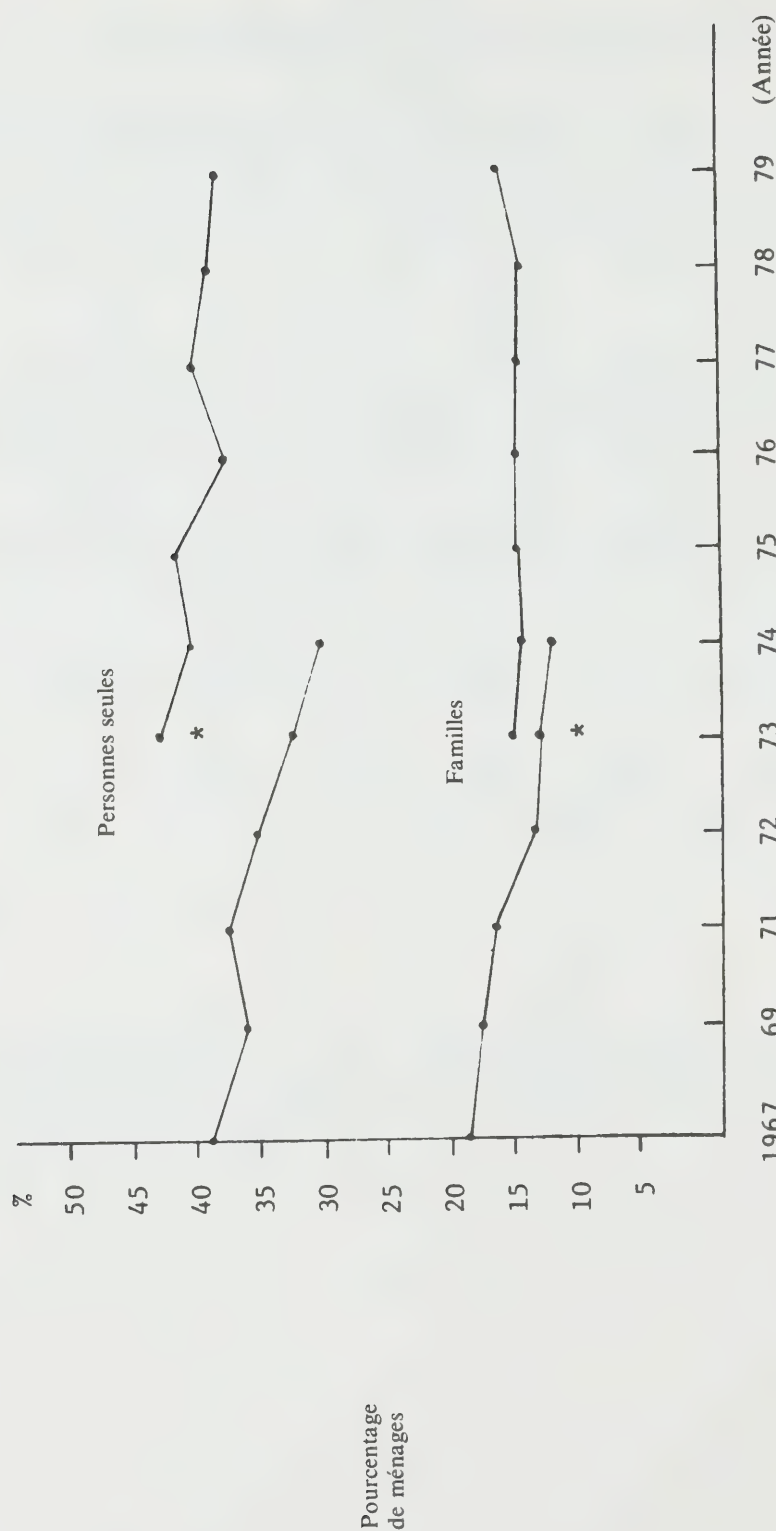
Pourcentage du P.N.B.

	1970		1972		1974		1976		1978	
	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.	\$	% P.N.B.
SANTÉ	4.3		5.5		7.4		10.1		12.0	
ÉDUCATION	6.0		6.9		8.8		12.2		14.8	
BIEN-ÊTRE	6.0		8.8		13.4		18.4		23.3	
TOTAL (S.E.R.-E.)	16.3	19.0	21.2	20.2	29.6	20.1	40.7	21.3	50.1	21.9
TOTAL (P.A.É.)	31.5	36.8	41.0	39.0	59.3	40.2	80.6	42.2	99.8	43.6
P.N.B. (\$)	85.7		105.2		147.5		191.0		229.0	

Source: Statistiques Canada, Finance consolidée des administrations publiques 1977 (68-202). Les années sont des années financières: 1978 et l'année financière 1977-1978, etc.

## GRAPHIQUE A1

Chiffres en pourcentage des personnes seules et des ménages  
dont le revenu est en dessous du seuil de pauvreté, 1967-1979



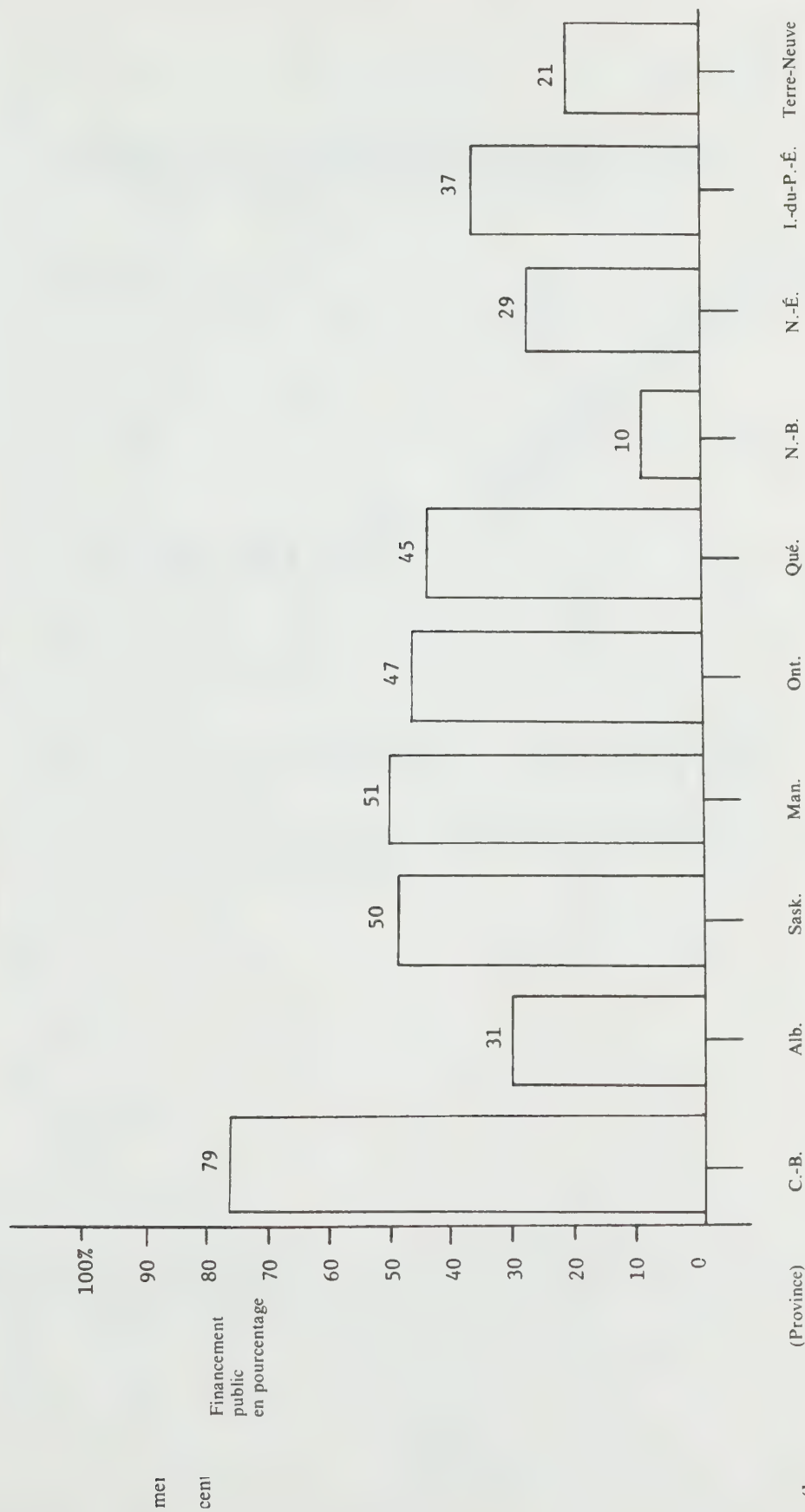
Source: Statistique Canada, *Répartition des revenus selon la taille du revenu*, certaines années

\*Note: A partir de 1973, Statistique a relevé son seuil de pauvreté à un niveau un peu plus généreux. Les deux définitions sont utilisées parallèlement pour 1973 et 1974.



## GRAPHIQUE A2

Dépenses affectées à des garderies agréées (toute la journée)



Source: Pièce 15, étude de Price Waterhouse (août 1980) «Comparaison entre les provinces»

## GRAPHIQUE A3

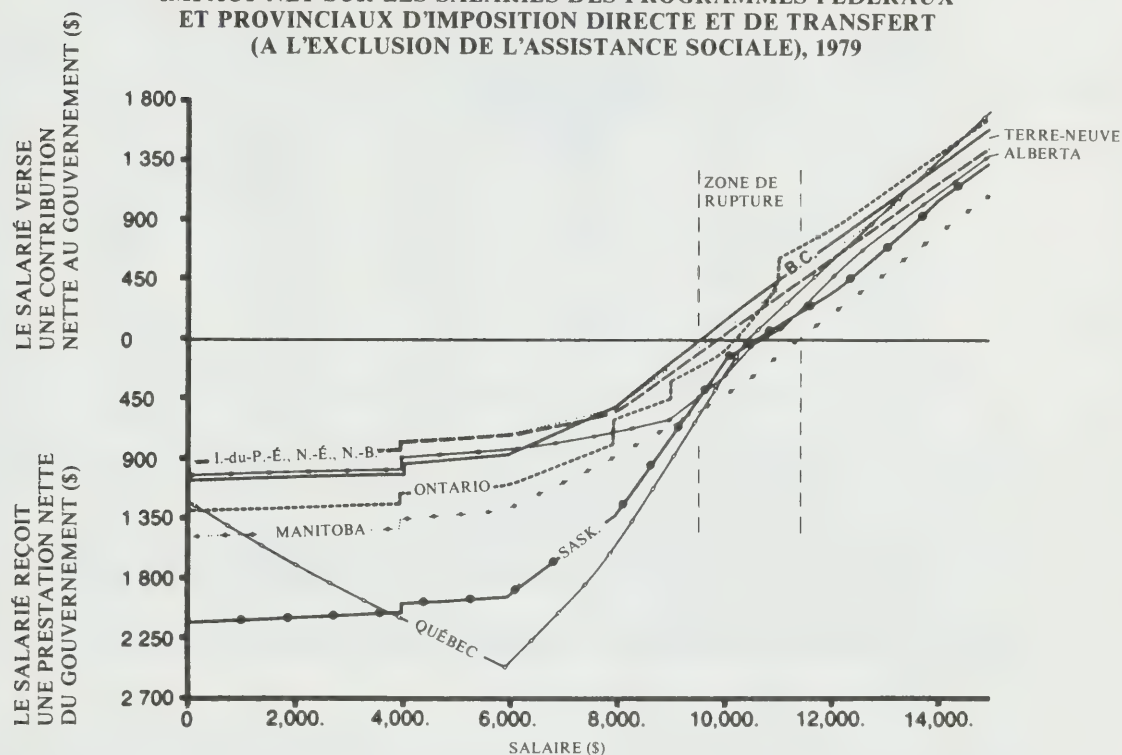
Frais de garderie par enfant, assumés par un parent seul  
Salaire brut (\$10 000)



Source: Pièce 7, Comparaison entre provinces — Services de garderie  
Price Waterhouse Associates, (août 1980)

GRAPHIQUE 1\*

**IMPACT NET SUR LES SALARIÉS DES PROGRAMMES FÉDÉRAUX  
ET PROVINCIAUX D'IMPOSITION DIRECTE ET DE TRANSFERT  
(A L'EXCLUSION DE L'ASSISTANCE SOCIALE), 1979**



\*Les valeurs pour la Nouvelle-Écosse et le Nouveau-Brunswick sont identiques, tandis que pour l'Île-du-Prince-Édouard elles sont seulement légèrement différentes.

Source: Chiffre fourni par Santé et Bien-être social.

\*Ce graphique est tiré de *The Working Poor*, de David Ross, Institut canadien de politique économique, Ottawa 1981, p. 55.



TABLEAU 1\*

COMPARAISON ENTRE LES REVENUS PROVENANT D'UN EMPLOI ET BÉNÉFICIAIRE D'UN SUPPLÉMENT, L'ASSISTANCE SOCIALE ET LES SEUILS DE PAUVRETÉ (1979-1970) POUR UNE FAMILLE DE QUATRE (\$)

PROVINCE	Salaire annuel minimum <sup>1</sup>	Revenu net supplémentaire <sup>2</sup>	Revenu total net <sup>3</sup>	Seuils de pauvreté		C.C.D.S. <sup>5</sup>	Assistance sociale <sup>6</sup>
				Population plus de 500,000 <sup>4</sup>	Population moins de 30,000 <sup>4</sup>		
Terre-Neuve	5,800	700	6,500	11,700	9,800	12,300	7,200
Î. du P.-É.	5,700	700	6,400	11,700	9,800	12,300	6,900
N.-B.	5,800	700	6,500	11,700	9,800	12,300	6,700
N.-É.	5,700	700	6,400	11,700	9,800	12,300	6,400
Québec	7,200	1,800	9,000	11,700	9,800	12,300	7,200
Ontario	6,200	1,000	7,200	11,700	9,800	12,300	6,900
Manitoba	6,300	1,200	7,500	11,700	9,800	12,300	8,000
Saskatchewan	7,300	1,500	8,800	11,700	9,800	12,300	6,700
Alberta	6,200	800	7,000	11,700	9,800	12,300	10,500
C.-B.	6,200	800	7,000	11,700	9,800	12,300	9,100
Moyenne: <sup>7</sup>	6,240	990	7,230	11,700	9,800	12,300	7,560

<sup>1</sup> Le revenu annuel est équivalent au salaire provincial minimum au 31 décembre 1979 multiplié par 52 semaines de travail de 40 heures chacune.

<sup>2</sup> Le revenu supplémentaire net et le supplément net en espèces que l'on peut obtenir de toutes les sources d'assistance en 1979 lorsque le revenu correspond au salaire annuel minimum (prestations perçues moins les taxes et les primes).

<sup>3</sup> Le revenu total net est obtenu en faisant le total des deux premières colonnes.

<sup>4</sup> C'est le seuil de pauvreté défini par Statistique Canada, évalué pour 1979 à partir des chiffres de 1978 et ajusté en fonction de la région.

<sup>5</sup> Le Conseil canadien de développement social a défini un seuil de pauvreté à partir de la moitié du revenu moyen de la famille canadienne, et a été calculé pour les statistiques de 1979 à partir des chiffres de 1978.

<sup>6</sup> L'assistance sociale, ou le bien-être, correspond au niveau d'assistance dont peut disposer une famille de quatre dont les besoins sont (moyens), augmentée des allocations familiales et fédérales et du crédit d'impôt pour enfant, tous calculés au début de 1980 (une famille de quatre comprend deux adultes et deux enfants).

<sup>7</sup> Les moyennes ne sont pas pondérées par rapport au chiffre de la population.

NOTE: Les chiffres sont arrondis à la centaine la plus proche.

Source: Les salaires minimums sont tirés d'une étude de Travail Canada: Les normes de travail au Canada pour 1979 (Ottawa, Approvisionnement et Services 1979); les chiffres sur le revenu supplémentaire et l'assistance sociale ont été fournis par Santé et Bien-être; et les seuils de pauvreté sont calculés à partir des chiffres de Statistique Canada: Répartition des revenus selon la taille du revenu au Canada, (1978), et des renseignements fournis par le Conseil canadien de développement social dans son étude sur la pauvreté (Canadian Fact Book on Poverty), (1979).

\*Ce tableau est tiré de, *The Working Poor*, de David Ross, Institut canadien de politique économique, Ottawa 1981, p. 58.

APPENDICE «FISC-31»



L'ASSOCIATION DU BARREAU CANADIEN

MÉMOIRE SUR

LE FINANCEMENT DES PROGRAMMES

ÉTABLIS

AU GROUPE DE TRAVAIL PARLEMENTAIRE SUR LES  
ACCORDS FISCAUX ENTRE LE GOUVERNEMENT FÉDÉRAL ET LES  
PROVINCES

LE 14 MAI 1981

OTTAWA

Comparaissant devant le Groupe de travail parlementaire sur les accords fiscaux entre le gouvernement fédéral et les provinces, au nom de l'Association du Barreau canadien.

A. William Cox, c.r., Président, Halifax

David Matas, président de la section de

Droit constitutionnel et international,

Winnipeg.



### *Le pouvoir de dépenser*

Les programmes de financement établis portent sur l'assurance-hospitalisation, l'assurance-maladie et l'enseignement postsecondaire. Tous ces programmes relèvent de la compétence exclusive des législatures provinciales. Les dépenses du gouvernement fédéral au titre des programmes établis outrepassent son pouvoir de réglementation.

Le fondement légal du pouvoir de dépenser du gouvernement fédéral (et des gouvernements provinciaux) reste incertain. Lord Atkin, du Conseil Privé déclarait:

*[Traduction]*

«On ne peut nier, de façon générale, que le gouvernement fédéral peut prélever des impôts dans le but de constituer un fonds destiné à des programmes spéciaux et qu'il peut utiliser ce fonds dans l'intérêt public pour venir en aide à des particuliers, à des sociétés ou à des organismes publics.»<sup>1</sup>

Toutefois, il ajoutait:

«Mais en supposant que le gouvernement fédéral ait constitué un fonds par le biais de l'impôt, cela ne signifie pas nécessairement que toute loi qui a pour objet d'en disposer ressortisse à sa compétence, car toute loi touchant les domaines énumérés à l'article 92 serait considérée *ultra vires*. En d'autres mots, une loi fédérale bien qu'ayant pour objet un bien fédéral peut être libellée de façon telle qu'elle porte atteinte aux droits civils dans une province ou empiète sur les domaines qui relèvent de la compétence des provinces. Il n'est pas nécessaire d'utiliser un moyen spécieux ou un prétexte.

Si l'on découvre qu'en substance la loi en question a pour véritable effet de porter atteinte aux droits civils dans une province ou d'empiéter sur d'autres domaines relevant de la compétence exclusive des provinces, cette loi sera nulle. On laisserait autrement la porte ouverte au gouvernement fédéral pour s'emparer des domaines de compétence provinciale.

Lorsqu'il était juriste, M. Trudeau déclarait:

*[Traduction]*

Lord Atkin ne précise pas si, à son avis il y a empiètement lorsqu'une loi budgétaire a pour simple objet d'accorder des subventions (à certaines conditions et dans certains domaines) à des institutions qui relèvent de la compétence provinciale; ou si l'empiètement n'existe que lorsqu'il y a tentative précise de légiférer dans ces domaines. Il est en outre impossible de savoir si sa déclaration générale est une tautologie ou si elle a pour objet d'autoriser les subventions à des institutions qui ne relèvent pas de la compétence exclusive du gouvernement fédéral ou des gouvernements provinciaux; je pense par exemple aux fonds de secours pour les victimes de désastres, etc. Ces questions devraient être soumises à la Cour suprême pour clarification.<sup>2</sup>

L'Acte de l'Amérique du Nord britannique confère à chaque province le pouvoir exclusif de «taxation directe dans les limites de la province, en vue de prélever un revenu pour des objets provinciaux». Il confère en outre au Parlement la compétence exclusive en ce qui a trait au «prélèvement de deniers par tous modes ou systèmes de taxation».

Ces deux dispositions doivent être interprétées ensemble. Étant donné que les provinces peuvent imposer une taxe directe pour des objets provinciaux, le Parlement ne peut avoir recours à la taxation directe pour des objets provinciaux. Le Parlement peut par contre imposer une taxe directe pour des objets fédéraux.<sup>3</sup>

Cette affirmation soulève cependant la question suivante: l'expression «objets provinciaux» se rapporte-t-elle à ce que la province prévoit pour elle-même ou à ce que l'Acte de l'Amérique du Nord britannique prévoit pour les provinces? De la même manière, l'expression «objets fédéraux» se rapporte-t-elle à ce que le Parlement prévoit pour lui-même ou à ce que l'Acte de l'Amérique du Nord britannique prévoit pour le Parlement? Le juge en chef Duff de la Cour suprême du Canada déclarait à cet effet:

*[Traduction]*

«Nous croyons qu'il y a de fortes raisons de conclure que l'expression «pour des objets provinciaux» signifie ni plus ni moins que ceci: les pouvoirs de taxation des législatures leur sont conférés afin qu'elles puissent recueillir des fonds pour leur utilisation exclusive.»<sup>4</sup>

Le jugement de M. le juge Duff a été confirmé par M. le juge Davies. Comme ses commentaires n'ont pas été approuvés par la majorité des juges de la Cour suprême du Canada dans l'arrêt en question ni par le Conseil privé en appel, on ne peut considérer cette question comme résolue.

Des milliards de dollars ont été dépensés par les gouvernements fédéral et provinciaux au cours des années sans que n'existe de justification légale à cet effet. Comment se peut-il que des dépenses d'une telle ampleur n'aient pas été contestées devant les tribunaux? La réponse réside dans le fait que les gouvernements n'ont jamais contesté devant les tribunaux les dépenses outrepassant les pouvoirs réglementaires parce qu'ils ont tous eu recours à cette pratique. Dans le cas du partage des frais, cela se faisait sous le couvert d'accords préalables. Les gouvernements n'ont jamais voulu contester la validité de leurs propres accords devant les tribunaux.

Les particuliers n'étaient pas admis à contester les dépenses du gouvernement. L'affaire *Mercer* est instructive, parce qu'elle porte sur l'assurance-maladie qui est l'un des programmes établis. Il s'agissait d'un particulier qui demandait au tribunal de déclarer *ultra vires* la Loi fédérale sur l'assurance-maladie. Il demandait qu'une injonction soit lancée pour empêcher que des sommes soient versées en vertu de cette Loi. Sa demande fut rejetée par le tribunal de première instance, et par la Cour d'appel de l'Alberta au motif qu'il n'était pas affecté par cette Loi d'une manière différente des autres citoyens. Il n'avait donc pas la qualité nécessaire pour ester en justice. Sa demande fut rejetée malgré le fait que, comme l'a dit la Cour d'appel

[Traduction]

«Si la province choisit de ne pas contester la validité de la Loi, personne ne peut le faire, parce qu'il n'existe aucune interdiction ou sanction, qui pourrait permettre au contrevenant de plaider la nullité en défense d'une procédure intentée contre lui»<sup>5</sup>

Depuis l'arrêt *Mercer*, la Cour suprême du Canada a déclaré:

[Traduction]

«Lorsque tous les membres du public sont affectés de la même manière . . . et que la validité d'une loi peut être contestée en justice, le tribunal doit pouvoir dire qu'il choisit d'entendre la cause au fond au lieu de permettre ou de refuser à un contribuable d'agir lorsque le procureur général refuse de le faire»<sup>6</sup>

L'Association du Barreau canadien suggère le recours au renvoi afin de déterminer la légalité du pouvoir de dépenser. Selon la Cour suprême du Canada, la loi permet à un particulier de contester l'exercice du pouvoir de dépenser. Lorsqu'il s'agit d'un pouvoir d'une importance constitutionnelle fondamentale et lorsque chaque citoyen est affecté de la même manière, il est cependant souhaitable de régler la question par voie de renvoi.

### *Partage des frais et financement global*

En 1977, le Canada est passé du partage des frais au financement global des programmes établis. Dans le cas du partage des frais, le gouvernement du Canada consacrait un dollar à la santé et à l'éducation pour chaque dollar dépensé par les provinces. Dans le cas du financement global, le gouvernement du Canada a donné aux provinces les mêmes sommes d'argent qu'il aurait données dans le cas du partage des frais sans toutefois exiger des provinces qu'elles dépensent un dollar pour chaque dollar perçu.

Cette transition du partage des frais au financement global a donné lieu à deux points de vue divergents. Avec le partage des frais il était impossible de contrôler le budget fédéral. Les sommes dépensées par le gouvernement du Canada dans les programmes à frais partagés variaient en fonction des sommes dépensées par les provinces pour ces mêmes programmes. Selon le premier point de vue, la transition du financement global ne visait que deux objectifs. On voulait plafonner les dépenses fédérales en matière de santé et d'éducation. On voulait aussi apporter une certaine flexibilité dans les domaines de la santé et de l'éducation de manière à déterminer quels services de santé ou d'éducation seraient financés par les provinces.

Le partage des frais manquait de flexibilité. Certaines dépenses pouvaient être partagées, tandis que d'autres ne pouvaient l'être. Les provinces étaient incitées à dépenser dans les programmes à frais partagés et à lésiner dans les programmes dont les frais n'étaient pas partagés. Dans le cas du financement global, les dépenses des provinces en matière de santé et d'éducation ne seraient pas diminuées et pourraient même être augmentées.



Le financement global s'est effectué en partie sous forme de paiements en espèces, et en partie sous forme de transferts de points d'impôt d'Ottawa aux provinces. Les sommes ainsi allouées et le produit du transfert des points d'impôt devaient être dépensés dans les domaines de la santé et de l'éducation. Étant donné que les contributions fédérales en matière de santé et d'éducation étaient fixées en fonction du niveau du financement global, les gouvernements provinciaux devaient dépenser pour faire face aux augmentations proportionnelles des dépenses excédant l'augmentation proportionnelle proposée en vertu du financement global. En vertu du partage des frais, c'est le gouvernement fédéral qui avait dû assumer la moitié de ces augmentations. La part provinciale des dépenses en matière de santé et d'éducation allait donc augmenter.

Selon l'autre point de vue, du moins en ce qui concerne la partie du financement global qui a trait au transfert des points d'impôt, l'argent pouvait être dépensé à n'importe quelle fin. Il n'était pas nécessaire qu'on le dépense pour la santé ou l'éducation. On pouvait s'en servir pour construire des routes. Le financement global signifiait que la part du gouvernement fédéral en ce qui concerne les dépenses en matière de santé et d'éducation pouvait augmenter et non diminuer. En d'autres mots, le financement global fédéral pouvait être utilisé pour remplacer les fonds provinciaux déjà dépensés pour la santé et l'éducation. Les dollars provinciaux qui étaient auparavant dépensés pour la santé et l'éducation afin d'obtenir l'équivalent en dollars fédéraux pouvaient maintenant être dépensés pour la construction de routes.

Statistiquement, c'est ce dernier point de vue qui a prévalu. Si toutes les sommes dépensées à l'échelle nationale par le gouvernement fédéral en vertu du financement global avaient été consacrées à la santé et à l'éducation, les chiffres démontrent que depuis la fin du régime du partage des frais, la part fédérale du total des dépenses en matière de santé et d'éducation a augmenté. La part provinciale a quant à elle diminué. En certaines années et dans certaines provinces, l'augmentation des dépenses fédérales en espèces ou en points d'impôt pour la santé et l'éducation est plus importante que l'augmentation totale des dépenses en matière de santé et d'éducation dans la province.

### *Détournement*

Étant donné que la proportion des dépenses fédérales et provinciales en matière de santé et d'éducation a été modifiée depuis la transition du partage des frais au financement global, certaines allégations de détournement de fonds ont été faites. On prétend que les montants en espèces et les points d'impôt donnés par Ottawa aux provinces pour la santé et l'éducation n'ont pas été dépensés à cette fin.

La *Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces* prévoit que tout paiement fait à une province d'une somme, au titre du programme d'assurance-hospitalisation, du programme de soins médicaux et du programme des services complémentaires de santé doit être considéré comme un paiement d'une somme par le Canada à une province au titre du coût de ce programme.<sup>7</sup>

Lorsqu'il était ministre de la Santé, M. Crombie a commenté cette disposition devant le Comité permanent sur la Santé, le Bien-être et les Affaires sociales:

«Au sujet des points fiscaux et la possibilité de consacrer l'argent à la voirie ou autre chose, une telle pratique est certainement possible. C'est seulement les paiements directs en espèces du fédéral qui comportaient des obligations légales et c'est le cas pour les deux programmes majeurs d'assurance-hospitalisation et d'assurance-maladie aussi bien que les soins complémentaires. Mais pour ce qui est des points fiscaux, il s'agissait simplement d'un transfert sans exigences légales»<sup>8</sup>

En d'autres mots, les subventions en espèces pour les programmes de santé étaient liées. Les points d'impôt pour la santé et tous les transferts, les subventions en espèces et les points d'impôt relatif à l'éducation ne l'étaient pas.

La Commission Hall a conclu que les allégations portant que les subventions fédérales pour la santé avaient été détournées n'étaient pas fondées.



M. le juge Hall a déclaré:

*[Traduction]*

«Seule la contribution en espèces était (et est toujours) une contribution conditionnelle versée par le gouvernement fédéral aux provinces et il est évident que toutes les sommes ainsi perçues par les provinces sont affectées à des programmes de santé.»<sup>9</sup>

La controverse ne portait pas sur les chiffres, mais plutôt sur les motifs de la transition au financement global. M. le juge Hall n'a pas conclu que les fonds provenant du financement global fédéral n'avaient pas été détournés des domaines de la santé et de l'éducation. Il a simplement conclu que ces fonds n'avaient pas été consacrés à la santé et à l'éducation mais qu'ils avaient été consacrés à des domaines prévus dans l'accord initial.

*Imputabilité*

Le fait de dépenser au-delà des pouvoirs réglementaires risque d'entraîner une absence d'imputabilité.

Étant donné que les mêmes citoyens votent aux élections fédérales et provinciales, ils doivent être à même de déterminer facilement quel gouvernement est responsable de quoi; autrement le contrôle démocratique du pouvoir devient impossible.<sup>10</sup>

Les commettants qui sont insatisfaits des services actuels de santé ou d'éducation post-secondaire doivent-ils blâmer le gouvernement provincial ou le gouvernement fédéral? Ceux qui sont satisfaits des restrictions budgétaires actuelles doivent-ils féliciter le gouvernement fédéral ou les gouvernements provinciaux?

Est-ce que les provinces ont détourné des fonds? Ou bien est-ce que le gouvernement du Canada a mis sur pied un système qui prévoyait et qui permettait la réduction relative des dépenses provinciales qui a eu lieu? Ce sont là des questions difficiles à résoudre pour les experts et elles le sont évidemment encore plus pour les commettants. Ces derniers se retrouvent dans une situation où ils ne savent pas qui est responsable du système de santé ou du système universitaire. Lorsque les deux ordres de gouvernement sont impliqués, chaque ordre a tendance à blâmer l'autre si quelque chose ne va pas.

*Le comité de l'Association du Barreau canadien sur la Constitution*

Bien qu'il soit difficile de justifier légalement les dépenses qui ne sont pas prévues en vertu du pouvoir réglementaire et bien que ces dépenses créent des problèmes d'imputabilité, le Barreau ne s'oppose pas, en principe, à l'existence d'un pouvoir de dépenser. Au contraire, le Comité de l'A.B.C. sur la Constitution a défendu ce point de vue:

«Il prend pour hypothèse que tous les problèmes sont ou exclusivement nationaux ou exclusivement locaux et qu'ils demeurent toujours les mêmes . . .

Il serait théoriquement possible de redéfinir les pouvoirs constitutionnels de manière à faire face à des situations nouvelles au fur et à mesure qu'elles surgissent. En réalité cependant, les modifications constitutionnelles sont le fruit d'une évolution lente. Et, même si on pouvait les réaliser, elles ne seraient pas nécessairement la meilleure solution. Un transfert complet de pouvoir peut ne pas opérer le meilleur équilibre constitutionnel qui soit.

Le Parlement fédéral peut avoir une influence à cause de sa force financière, mais le pouvoir législatif provincial fournit l'assurance d'une direction constante dans ces domaines au niveau local. A notre avis, le pouvoir fédéral de dépenser devrait être conservé.<sup>11</sup>

Selon ce Comité, le pouvoir fédéral de dépenser devrait être conservé.

De façon générale, le Comité a proposé deux restrictions au pouvoir fédéral de dépenser. Premièrement, le pouvoir de dépenser devrait se limiter aux fins nationales et au bien-être général du Canada. Deuxièmement, ces dépenses devraient pouvoir être révisées par une chambre haute reconstituée et composée de délégués des gouvernements provinciaux. Cette chambre haute n'aurait pas le droit de veto. La Chambre des communes pourrait remettre en vigueur toute autorisation de dépenser qui n'a pas été approuvée par la chambre haute.

Le Comité a fait remarquer que dans le cas de l'assurance-hospitalisation et de l'assurance maladie (et on pourrait en dire autant de l'éducation post-secondaire), la mobilité des Canadiens partout au pays est aussi grandement facilitée par l'accès aux mesures sociales. Si ces dernières sont beaucoup plus avantageuses dans une province que dans une autre, les Canadiens seront encouragés à demeurer dans la première et à quitter la seconde. En incitant les Canadiens à se déplacer et à ne pas s'isoler dans leur propre province, on contribuera à ce qu'ils s'identifient comme citoyens du Canada.

Le Comité a aussi fait remarquer que le redressement des inégalités économiques régionales est un attribut essentiel du fédéralisme canadien et que le gouvernement fédéral est le mieux placé pour administrer à l'échelle nationale un système visant à les corriger. Ceux qui contribuent à la péréquation devraient pouvoir exercer un certain contrôle sur le versement de ces paiements afin d'assurer que l'argent est effectivement dépensé dans le but d'atténuer les inégalités régionales. Seul un gouvernement central peut exercer pareil contrôle. Le Comité a ajouté qu'il existe des inégalités entre les particuliers et les groupes tout comme il en existe entre les provinces. Pour en arriver à un sentiment d'appartenance à une collectivité nationale, il faut qu'économiquement tous les citoyens, aussi bien que les provinces, aient des chances égales. L'assurance-hospitalisation et l'assurance-maladie ont un rôle important à jouer dans la réduction de ces inégalités économiques.<sup>12</sup>

#### *Le Comité sur la Constitution et le partage des frais*

Dans le cas du partage des frais, le Barreau a proposé de ne créer aucun nouveau programme sans l'accord préalable d'un nombre suffisant de législatures provinciales témoignant d'un important consensus national. Ce consensus national serait atteint si les deux tiers de ceux qui votaient dans une chambre haute reconstituée supportaient le programme. Chacun devrait avoir le pouvoir de se retirer. Le gouvernement fédéral aurait à payer une compensation aux provinces qui choisiraient de se retirer. Cette compensation serait versée aux gouvernements et non aux individus dans les provinces. Il y aurait transférabilité de bénéfices pour les particuliers qui passent d'une province participante à une province non participante.

De l'avis du Comité du Barreau, aucun programme ne devrait être mis sur pied en l'absence de consensus national. Si une des plus grandes provinces ou quelques-unes des plus petites choisissaient de se retirer, il est probable que ces provinces mettraient de toute façon sur pied un programme destiné à remplacer celui auquel elles ont refusé de participer. C'est là l'opinion du Comité spécial mixte du Sénat et de la Chambre des communes sur la Constitution du Canada, soit le Comité Molgat-MacGuigan, qui a soumis son rapport en 1972.<sup>13</sup> Cette éventualité serait peu probable si plusieurs provinces choisissaient de se retirer. Dans le cas du retrait de plusieurs provinces, on pourrait avoir recours à une certaine forme de financement global.

Le Comité du Barreau a envisagé la possibilité d'avoir recours au partage des frais dans certaines provinces seulement:

«Les programmes qui entraînent des dépenses dans une ou plusieurs provinces seulement ne devraient pas être soumis à l'exigence d'un 'consensus national' ni à la méthode accessoire de compensation qui s'applique aux programmes 'nationaux'.»<sup>14</sup>

La notion du partage limité des frais s'apparente à une des propositions de la Commission Hall. Cette Commission proposait que le gouvernement fédéral ait recours au partage des frais dans le cas des provinces moins bien nanties qui souhaitent améliorer leurs services de santé. Le Comité spécial mixte du Sénat et de la Chambre des communes a recommandé le partage des frais jusqu'à concurrence de la moyenne nationale des coûts. Au moment de la publication du rapport en 1972, la moyenne nationale des coûts représentait à la fois un maximum et un minimum pour l'assurance-maladie. Dans le cas de l'éducation postsecondaire, seule la moyenne provinciale des coûts était utilisée, tandis que dans le cas de l'assurance-hospitalisation, on utilisait la moitié de la moyenne nationale et la moitié de la moyenne provinciale des coûts.

Le rapport du Comité mixte soulignait que l'utilisation de la moyenne nationale des coûts n'encourageait pas les provinces fournissant de moins bons services, à améliorer la situation. D'autre part, le partage des frais fondé sur la moyenne provinciale des coûts était trop avantageux pour les provinces riches. Le partage des frais fondé sur la moyenne provinciale des coûts et plafonné en fonction de la moyenne nationale favorise davantage les provinces moins bien nanties.<sup>15</sup>



*Position générale du Barreau*

En ce qui a trait au partage des frais, l'A.B.C.:

- (1) favorise le partage des frais dans toutes les provinces avec transférabilité et, possibilité de retrait avec compensation.
- (2) favorise le partage des frais dans certaines provinces sans compensation dans d'autres
- (3) favorise le financement lié
- (4) s'oppose au financement global
- (5) s'oppose au partage des frais dans toutes les provinces sans possibilité de retrait de participation, sans compensation et sans transférabilité.

Le Comité du Barreau favorisait le financement global sous forme de péréquation. Actuellement, l'éducation postsecondaire est financée globalement sous forme de subventions en espèces, versées selon des critères nationaux, mais comme aucune loi n'exige que ces sommes soient affectées à l'éducation postsecondaire, cette formule n'a aucun sens. Le fait pour le gouvernement fédéral de prélever des impôts et de donner de l'argent aux provinces pour qu'elles subventionnent les universités sans qu'elles soient tenues de le faire crée de la confusion. Le fait pour Ottawa de transférer aux provinces des points d'impôt de manière à leur permettre d'en utiliser les bénéfices pour la santé et l'éducation sans qu'elles soient tenues de le faire crée tout autant de confusion.

*Financement des programmes établis*

La Loi de 1977 prévoit la cessation des paiements au comptant pour les programmes établis sur avis de trois ans. Le gouvernement du Canada devrait se prévaloir de cette disposition et mettre fin aux programmes.

Les contributions payables comptant au titre de l'éducation postsecondaire ne sont pas liées tandis que celles au titre de l'assurance-hospitalisation et de l'assurance-maladie le sont. Suite au transfert de points d'impôts effectué en 1977, les contributions payables comptant au titre de l'assurance-hospitalisation et de l'assurance-maladie ne suffisent plus à «favoriser l'action», ce qui était l'objectif visé par le gouvernement fédéral. Les contributions au comptant n'ont pour effet que de permettre aux provinces de dépenser moins en matière d'assurance-hospitalisation et d'assurance-maladie.

Les contributions fédérales pour la santé et l'éducation ne peuvent favoriser l'action que dans la mesure où il y a partage des frais ou dans la mesure où les contributions sont liées à des dépenses qui n'auraient pas autrement été engagées. Ce lien doit être mieux défini qu'il ne l'est actuellement.

Les contributions fédérales doivent servir à des programmes qui n'auraient pas autrement été mis en œuvre et à des fins qu'il ne serait pas possible d'atteindre autrement.

Le partage des frais devrait s'appliquer aux provinces moins bien nanties. Ce partage pourrait se fonder sur la moyenne provinciale jusqu'à concurrence de la moyenne nationale, tel que l'a suggéré le Comité spécial mixte dans son rapport. Le partage des frais dans les provinces moins bien nanties aurait pour effet de redresser les inégalités régionales. Il serait ainsi possible d'utiliser ce qui en fait est une forme de paiement de péréquation pour assurer l'égalité d'accès aux services de santé et d'éducation postsecondaire dans tout le Canada.

Pourvu qu'il y ait consensus national, transférabilité et possibilité de retrait avec compensation, le Canada devrait retourner au partage des frais des programmes établis. Retrait avec compensation n'équivaut pas à financement global. Le partage des frais ne peut avoir lieu si plusieurs provinces veulent se retirer ou si les provinces veulent se retirer ou si les provinces où vit une partie importante de la population veulent se retirer. Si une seule province ou si quelques petites provinces se retiraient, il serait exceptionnellement possible, comme nous l'avons mentionné précédemment, d'utiliser la compensation pour un programme semblable au programme à frais partagés.

De toute façon, le principe de la transférabilité inciterait la province non participante à mettre sur pied un programme semblable au programme à frais partagés. Autrement, certains résidents d'une province auraient par



exemple droit à l'assurance-maladie du fait qu'ils sont originaires d'une province participante, tandis que les autres n'y auraient pas droit.

### *Conclusion*

Les dépenses fédérales outrepassant le pouvoir de réglementation devraient s'appuyer sur une solide assise légale. Les dépenses devraient se justifier par des principes clairs.

Afin d'établir cette assise légale, il y aurait lieu d'avoir recours au renvoi. Pour donner suite aux principes, il y aurait lieu de mettre fin au financement global des programmes établis. Il y aurait lieu d'instaurer le financement lié et le partage des frais dans les provinces moins bien nanties. De façon générale, il y aurait lieu de retourner au système du partage des frais, pourvu qu'il y ait consensus national à cet effet, que le principe de la transférabilité soit admis et qu'il y ait possibilité de retrait avec compensation.

## NOTES

- (1) *A.G. Can. v. A.G. Ont.* (1937) 1 W.W.R. 299 à la p. 315
  - (2) «Federalism and the French Canadians», p. 86
  - (3) *Caron v. The King* 1924 A.C. 999 per Lord Phillimore à la p. 1004
  - (4) (*Reference*) *Re the Employment and Social Insurance Act* 1936 S.C.R. 399 à 434
  - (5) *Mercer v. A.G. Can.* (1972) 24 D.L.R. (3d) 758
  - (6) *Thorson v. A.G. Can.* (No. 2) (1974) 43 D.L.R. (3d) 1 à 17
  - (7) 1976-7 S.C. Chap. 10, art. 28.1
  - (8) Le 4 déc. 1979 à 12h26
  - (9) «Canada's National-Provincial Health Program for the 1980's», p. 11
  - (10) Mr. Trudeau, op. cit., p. 80
  - (11) *Vers un Canada nouveau*, p. 83
  - (12) Ibid, p. 81
  - (13) *Constitution du Canada*, p. 52
  - (14) *Vers un Canada nouveau*, p. 87
  - (15) *Constitution du Canada*, p. 53
-

Mr. Émile Vallée, Director, United Steel Workers of America;

Mr. Steven Jelly, Secretary, Consumers' Association of Canada.

At 5:00 p.m.:

*From the Association of Municipalities of Ontario:*

Ms. Marianne Wilkinson, Member of the Board of Directors and Co-Chairperson of Fiscal Policy Committee, Mayor of Kanata;

Mr. Peter Clute, Deputy Executive Director;

Ms. Marlene Catterall, Member of the Executive Committee and Board of Directors, Alderman, City of Ottawa;

Mr. William Rice, Member, Fiscal Policy Committee, Commissioner of Finance, City of Nepean;

Mr. Arthur Pope, Member, AMO/ACRO Community and Social Services Committee, Commissioner of Social Services, Regional Municipality of Ottawa-Carleton.

M. Émile Vallée, directeur, Métallurgistes unis d'Amérique;

M. Steven Jelly, secrétaire, Association des consommateurs du Canada.

A 17 heures:

*De l'Association des municipalités de l'Ontario:*

M<sup>me</sup> Marianne Wilkinson, membre du Conseil d'administration et co-présidente du Comité de la politique fiscale et mairesse de Kanata;

M. Peter Clute, directeur exécutif adjoint;

M<sup>me</sup> Marlene Catterall, membre du Comité exécutif et du Conseil d'administration, échevin, ville d'Ottawa;

M. William Rice, membre, Comité sur la politique fiscale, commissaire des finances, ville de Nepean;

M. Arthur Pope, membre, Comité des services communautaires et sociaux AMO/ACRO, commissaire des services sociaux, municipalité régionale d'Ottawa-Carleton.





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## WITNESSES—TÉMOINS

At 9:35 a.m.:

*From the Canadian Council on Social Development:*

Mr. Terry Terrance-Hunsley, Executive Director;  
Mr. Geoff Norquay, Director of Programs;  
Dr. David Ross, Consultant.

At 11:00 a.m.:

*From the Canadian Bar Association:*

Mr. A. William Cox, Q.C., President;  
Mr. David Matis, Chairman, Constitutional and International Law Section.

At 3:30 p.m.:

*From the Canadian Health Coalition:*

Mr. Jim MacDonald, Chairman;  
Mrs. Margaret Vowles, Vice-Chairman of National Pensioners and Senior Citizens Federation;  
Mr. Patrick Johnston, Director, Canadian Council on Social Development;  
Mr. Patrick Jamieson, Director, Catholic Health Association of Canada;

*(Continued on previous page.)*

A 9 h 35 du matin:

*Du Conseil canadien sur le développement social:*

M. Terry Terrance-Hunsley, directeur exécutif;  
M. Geoff Norquay, directeur des programmes;  
M. David Ross, expert conseil.

A 11 heures du matin:

*De l'Association du Barreau canadien:*

M. A. William Cox, c.r., président;  
M. David Matis, président, Section des lois constitutionnelles et internationales.

A 15 h 35:

*De la Coalition sur la santé canadienne:*

M. Jim MacDonald, président;  
M<sup>me</sup> Margaret Vowles, vice-présidente de «National Pensioners and Senior Citizens Federation»;  
M. Patrick Johnston, directeur, Conseil canadien sur le développement social;  
M. Patrick Jamieson, directeur, Association catholique sur la santé du Canada;

*(Suite à la page précédente.)*

HOUSE OF COMMONS

Issue No. 13

Tuesday, May 19, 1981

Chairman: Mr. Herb Breau

CHAMBRE DES COMMUNES

Fascicule n° 13

Le mardi 19 mai 1981

Président: M. Herb Breau

*Minutes of Proceedings and Evidence  
of the Special Committee on*

*Procès-verbaux et témoignages  
du Comité spécial sur*

# The Federal-Provincial Fiscal Arrangements

# Les accords fiscaux entre le gouvernement fédéral et les provinces

RESPECTING:

Federal-Provincial Fiscal Arrangements and  
Established Programs Financing Act, 1977, fiscal  
equalization, tax collection agreements and the  
Canada Assistance Plan

CONCERNANT:

La Loi de 1977 sur les accords fiscaux entre le  
gouvernement fédéral et les provinces et sur le  
financement des programmes établis, la  
péréquation des accords de perception fiscale et le  
Régime d'assistance publique du Canada

WITNESSES:

(See back cover)

TÉMOINS:

(Voir à l'endos)



First Session of the  
Thirty-second Parliament, 1980-81

Première session de la  
trente-deuxième législature, 1980-1981

SPECIAL COMMITTEE ON THE  
FEDERAL-PROVINCIAL  
FISCAL ARRANGEMENTS

*Chairman:* Mr. Herb Breau

*Vice-Chairman:* Mr. Don Blenkarn

Messrs.

Blaikie  
Herbert

Loiselle

COMITÉ SPÉCIAL SUR LES ACCORDS FISCAUX  
ENTRE LE GOUVERNEMENT FÉDÉRAL  
ET LES PROVINCES

*Président:* M. Herb Breau

*Vice-président:* M. Don Blenkarn

Messieurs

Thacker

Weatherhead

(Quorum 4)

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*



## MINUTES OF PROCEEDINGS

TUESDAY, MAY 19, 1981  
(31)

[Text]

The Special Committee on Federal-Provincial Fiscal Arrangements met at Winnipeg, at 7:00 o'clock p.m., this day, the Chairman, Mr. Breau, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker and Weatherhead.

*In attendance:* From the Parliamentary Centre for Foreign Affairs and Foreign Trade: A. R. Dobell, William Haney, Michael Mendelson and Richard Bastien. From the Research Branch, Library of Parliament: Christopher Lawless.

*Witnesses:* At 7:00 p.m., From the Age and Opportunity Centre: Dr. B. Bendor-Samuel, President and Mr. Bob Stewart, Executive Director. At 7:35 p.m., From the University of Manitoba (St. John's College): Professor Paul Thomas. At 9:00 p.m., From the University of Manitoba: Dr. J. A. Hildes, Faculty of Medicine. At 9:30 p.m., From the University of Manitoba: Dr. John Horne, Department of Social and Preventive Medicine, Faculty of Medicine. At 10:40 p.m., From the Coalition of Provincial Organizations of the Handicapped: Allan Simpson, Chairman and Jim Derksen, Policy Planning Coordinator.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (See Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.)

*It was agreed,*—That the brief presented by Dr. J. A. Hildes, Director, Northern Medical Unit, University of Manitoba, be printed as an appendix to this day's Minutes of Proceedings and Evidence. (See Appendix "FISC-32".)

The witnesses made statements and answered questions.

At 11:10 o'clock p.m., the Committee adjourned to the call of the Chair.

## PROCÈS-VERBAL

LE MARDI 19 MAI 1981  
(31)

[Traduction]

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à Winnipeg (Manitoba), à 19 heures, sous la présidence de M. Breau (président).

*Membres présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker et Weatherhead.

*Aussi présents:* Du Centre parlementaire des affaires étrangères et du commerce extérieur: A. R. Dobell, William Haney, Michael Mendelson et Richard Bastien. Du Service de recherches de la Bibliothèque du Parlement: Christopher Lawless.

*Témoins:* A 19 heures, de Age and Opportunity Centre: M. B. Bendor-Samuel, président et M. Bob Stewart, directeur exécutif. A 19 h 35, de l'Université du Manitoba (St. John's College): M. Paul Thomas, professeur. A 21 heures, de l'Université du Manitoba: M. J. A. Hildes, Faculté de médecine. A 21 h 30, de l'Université du Manitoba: M. John Horne, Département de médecine sociale et préventive, Faculté de médecine. A 22 h 40, de la Coalition of Provincial Organizations of the Handicapped: Allan Simpson, président et Jim Derksen, coordonnateur de la planification des politiques.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (Voir procès-verbal du lundi 23 mars 1981, fascicule n° 1.)

*Il est convenu,*—Que le mémoire présenté par M. J. A. Hildes, directeur, Northern Medical Unit, Université du Manitoba, soit joint aux procès-verbal et témoignages de ce jour. (Voir Appendice «FISC-32»).

Les témoins font des déclarations et répondent aux questions.

A 23 h 10, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*

## EVIDENCE

*(Recorded by Electronic Apparatus)*

Tuesday, May 19, 1981

• 1900

*[Text]***The Chairman:** Order.

We are very happy to be in the Province of Manitoba this evening, to open a series of hearings here in the City of Winnipeg. We are continuing our hearings on the mandate we received from the House of Commons to study the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing, and other fiscal arrangements between the federal government and the provinces.

We have already had about two weeks of hearings in Ottawa. We have been to Newfoundland, Prince Edward Island, Ontario. We are now in Manitoba. We are going to Saskatchewan tomorrow. We intend to visit every provincial capital, plus the capitals of the two territories.

There are seven of us. I will introduce the members who are here now, and as the others come in you will see their name tags. On my far left is Mr. Bill Blaikie, who is probably known in Winnipeg. He is the member of Parliament from Winnipeg-Birds Hill. On my immediate left is Mr. Hal Herbert, the member of Parliament for Vaudreuil, near Montreal. On my far right is Mr. Blaine Thacker, Progressive Conservative member for Lethbridge-Foothills, Alberta. Mr. Loiselle, who is flying in late from Montreal, is the member of Parliament for Verchères. Mr. Weatherhead and Mr. Blenkarn will be here in a minute. My name is Herb Breau. I am the member of Parliament for Gloucester in New Brunswick.

We have four witnesses who have asked to appear before us this evening. The first two are from the Age and Opportunity Centre: Dr. Bendor-Samuel, President; and Mr. Bob Stewart, Executive Director. We do not have a written brief from the group, so Dr. Bendor-Samuel, I believe, will make an opening presentation, and then we will go on to questioning.

Dr. Bendor-Samuel.

**Mr. B. Bendor-Samuel (President, Age and Opportunity Centre):** Thank you, Mr. Chairman.

Perhaps I should preface my remarks with a comment that we are not in any sense technical experts; we are not even politicians. I think what we would like to achieve this evening is an indication of what the effects of any substantive change in funding arrangements on social service agencies could be for a relatively small agency such as ours. We do not have the expertise to address ourselves to the more technical aspects of federal-provincial fiscal arrangements. We would like to speak about the Age and Opportunity Centre and the services we offer, and outline for you our concerns about the federal government's stated aim to curb federal transfers to the provinces in the social program field and the resultant impact of such changes in federal-provincial fiscal arrangements on agencies like ours.

The Age and Opportunity Centre is a nonprofit social service agency, focusing on persons 60 years of age and older,

## TÉMOIGNAGES

*(Enregistrement électronique)*

Le mardi 19 mai 1981

*[Translation]***Le président:** A l'ordre.

Nous sommes très heureux d'être au Manitoba et d'ouvrir ce soir une série d'audiences à Winnipeg. Nous poursuivons nos travaux sur le mandat que nous a confié la Chambre des communes. On nous a demandé d'étudier le Régime d'assistance publique du Canada, les accords sur les perceptions fiscales, la péréquation de financement des programmes établis et d'autres accords fiscaux entre le gouvernement fédéral et les provinces.

Nous avons tenu environ deux semaines de séances à Ottawa. Nous sommes allés à Terre-Neuve, à l'Île-du-Prince-Édouard, en Ontario. Nous sommes maintenant au Manitoba et demain nous serons en Saskatchewan. Nous comptons visiter toutes les capitales provinciales et celles des deux territoires.

Nous sommes sept. Je vais maintenant présenter les membres qui sont présents et vous connaîtrez les autres au fur et à mesure qu'ils entreront. À gauche au fond, M. Bill Blaikie que vous connaissez probablement puisqu'il est député de Winnipeg-Birds Hill. Tout près de moi, à gauche, M. Hal Herbert, député de Vaudreuil, près de Montréal. À droite, au fond, M. Blaine Thacker, député progressiste-conservateur de Lethbridge-Foothills, Alberta. M. Loiselle qui sera en retard est le député de Verchères. M. Weatherhead et M. Blenkarn seront ici sous peu. Je m'appelle Herb Breau. Je suis député de Gloucester au Nouveau-Brunswick.

Quatre témoins nous ont demandé de comparaître ce soir. Les deux premiers sont du Age and Opportunity Centre: M. Bendor-Samuel, président; et M. Bob Stewart, directeur exécutif. Nous n'avons pas obtenu de mémoire écrit de ce groupe si bien que M. Bendor-Samuel, fera l'exposé préliminaire puis nous passerons aux questions.

Monsieur Bendor-Samuel.

**M. B. Bendor-Samuel (président, Age and Opportunity Centre):** Je vous remercie, monsieur le président.

Je dois mentionner au départ que nous ne sommes absolument pas des experts, nous ne sommes mêmes pas des hommes politiques. Nous aimerions montrer ce soir les conséquences que les changements dans l'organisation du financement auront pour les petites agences de service social comme la nôtre. Nous n'avons pas assez de connaissances pour parler des aspects techniques des arrangements fiscaux fédéraux-provinciaux. Nous voulons plutôt parler du Age and Opportunity Centre et des services que nous offrons, vous dire à quel point nous préoccupe l'intention du gouvernement fédéral de restreindre les contributions fédérales aux provinces dans le domaine social et souligner les répercussions de ces changements sur des agences comme la nôtre.

Le Age and Opportunity Centre est une agence de service social à but non lucratif desservant les personnes âgées de 60



*[Texte]*

or retired. The agency is dedicated to the belief that as vital members of the community older persons have the right and the responsibility to be involved in determining and influencing their own and their community's destiny. As a result, senior citizens are involved in all aspects of our agency, from policy-making through service implementation.

The Age and Opportunity Centre offers a variety of services to older persons on a regular basis. These include legal assistance, personal counselling, financial counselling, health screening services, a friendly visiting service for shut-in elderly, summer outings, distribution of free tickets to cultural, sports, and entertainment events. These services, as well as opportunities to take part in educational, recreational, and social activities, are also available through seven neighbourhood-based senior centres we operate. The agency is also involved in lending its expertise, through consultation, to groups, clubs, and organizations who wish to develop services for older adults. Several successful research projects have also been carried out.

## • 1905

In 1981, we will receive and expend \$550,000. In addition to that, we will provide, through our volunteers, a value of approximately \$330,000 in unpaid time. Thirty-nine per cent of the sum of money we receive directly is received in a grant from the Province of Manitoba which is cost-shared with the federal government under the Canada Assistance Plan. Seventeen per cent of our revenue is received from the City of Winnipeg, which receives provincial government support. Twenty-eight per cent of our income is received from the United Way and the Winnipeg Foundation, and 16 per cent is derived from smaller special grants and fees for service.

While the majority of our revenue is derived from public sources and from tax dollars, we are a nonstatutory agency; that is, our services are not mandated by law, as are those offered, for example, by a child-welfare agency. Rather, our services have been deemed to be complementary ones to the statutory services, and thus we receive support through these two levels of government, with federal assistance to them.

We can appreciate the federal government's concern about its budgetary deficit position. We too have been forced to address difficult financial times as an agency. Our revenue base has not kept pace with inflation, and we have seen the depth and scope of our services jeopardized. We are concerned, though, that efforts by Ottawa to cope with its financial pressures may impact on us greatly.

Manitoba is not a resource-rich province, unlike some of our western neighbours. It appears to us, then, unlikely that the Province of Manitoba, given its limited population base and other factors, can make up the difference to support current social programs if federal transfer payments are reduced as planned. As stated, even with the availability of transfer payments, revenue to agencies like ours has not kept pace with inflation over the last several years. Should the federal contribution to such services be reduced and the province not be able to make up the difference, then services will be reduced even further. As a nonprofit, nonstatutory agency, we feel especially

*[Traduction]*

ans ou plus ou les personnes à la retraite. Nous croyons que les personnes d'âge mûr ont un rôle important à jouer au sein de la collectivité et qu'elles ont le droit et l'obligation d'exercer une influence sur leur sort et sur celui de la collectivité. Les personnes âgées sont donc présentes à tous les niveaux dans notre organisme, à partir de la création de politiques jusqu'à la mise en application des services.

Notre centre offre divers services à titre permanent aux personnes âgées. Nous offrons donc de l'aide juridique, de la consultation personnelle et financière, des services médicaux de dépistage, un service de visite à domicile aux invalides, des sorties durant l'été, des billets gratuits pour assister à divers spectacles et matchs sportifs. Nos membres peuvent aussi participer à des activités éducatives, récréatives et sociales offertes par sept centres de quartier dont nous assurons aussi la direction. L'agence assure également des services de consultation aux groupes, clubs et organismes qui souhaitent assurer des services aux adultes âgés. Plusieurs projets de recherche ont donné d'excellents résultats.

En 1981, nous recevrons et dépenserons \$550,000. Nous fournirons en outre par l'entremise de nos bénévoles \$330,000 sous la forme de travail non rémunéré. Nous touchons 39 p. 100 de la somme directement sous la forme d'une subvention de la province du Manitoba. Il y a partage de frais avec le gouvernement fédéral dans le cadre du Régime d'assistance du Canada. Dix-sept p. 100 de notre revenu provient de la ville de Winnipeg qui reçoit un appui du gouvernement fédéral. Vingt-huit p. 100 de notre revenu est assuré par Centraide et la Winnipeg Foundation; 16 p. 100 du revenu provient de petites subventions spéciales et de frais pour services.

La majeure partie de notre revenu provenant de sources publiques et de dollars fiscaux, nous sommes une agence non statutaire; nos services ne sont pas réglementés par la loi comme le sont ceux, par exemple, d'une agence d'aide à l'enfance. On juge que nos services servent de complément aux services statutaires et nous recevons donc l'appui des deux niveaux de gouvernement et par leur entremise, celle du gouvernement fédéral.

Nous comprenons que le gouvernement fédéral s'inquiète de sa position de déficit budgétaire. En tant qu'agence, nous avons aussi eu des difficultés financières. Notre revenu de base ne s'est pas adapté aux exigences de l'inflation et cela a mis en jeu la portée de nos services. Nous craignons cependant que les efforts déployés à Ottawa pour faire face aux pressions financières n'aient de sérieuses répercussions sur notre existence.

Le Manitoba n'est pas riche en ressources comme certains de ses voisins. Il semble peu probable que le Manitoba, étant donné sa faible population et d'autres facteurs puisse combler le déficit et appuyer ses programmes sociaux si les paiements fédéraux de transfert sont réduits comme prévu. Comme je l'ai dit, même avec les paiements de transfert, les revenus d'agences comme la nôtre n'ont pas suivi le même rythme que la poussée de l'inflation au cours des dernières années. Si la contribution fédérale est réduite à l'égard de tels services et que les provinces sont incapables de combler la différence, les services en souffriront encore davantage. En tant qu'agence



## [Text]

vulnerable in that it is likely that whatever dollars do remain will go first to direct government departmental expenditures, secondly to nonprofit organizations providing statutory services, and only then to nonstatutory organizations.

In gross numbers and in proportion of Canada's population, older persons are increasing dramatically. The Economic Council of Canada has indicated by the year 2030 one in three persons will be over the age of 65. The Senate, through its special committee under Senator David Croll, recognized the impact of these changing demographics in its report *Retirement Without Tears*. Madame Bégin and Mr. MacEachen recently sponsored a nation-wide conference on pensions to review needed reforms in this area. A substantial portion of direct federal financial assistance is directed toward older persons through old age security, guaranteed income supplements, spouse's allowance, Canada Pension Plan.

It appears to us, then, that the federal government has recognized the increasing need to address itself to the needs of older persons. Yet precisely at the time when the demand for such services increasing, financial support to agencies which serve older persons, such as the Age and Opportunity Centre, is decreasing in real terms. A study conducted by the Manitoba government called "Aging in Manitoba" identified the accessibility of services as the most pressing problem facing older persons. Yet as we continued constrictions on our revenue, we find ourselves unable to continue the provision of services at the neighbourhood level in a quantity or quality we find adequate. We are concerned the proposed changes in Federal-provincial fiscal arrangement will make it even more difficult for us to achieve our objectives.

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Our appeal is not specifically a retention of the status quo, Although we recognize that a number of premiers have expressed satisfaction with the systems established in 1977, including the Premier of Manitoba. Rather, our position is that we would encourage both federal and provincial levels of government to ensure that the fiscal arrangements between them would provide for adequate and stable funding of social programs in both the short and the long run, and that there continue to be within such arrangements, the flexibility for provinces to fund services that are not specifically mandated through legislation.

I would like to express our thanks for giving us the opportunity to meet with you this evening, and to make these comments. We will be very pleased to attempt to answer any questions you might have.

**The Chairman:** Thank you very much, Dr. Bendor-Samuel. Mr. Blaikie, do you have any questions?

**Mr. Blaikie:** Dr. Bendor-Samuel, first I would like to say how pleased I am that the Age and Opportunity Centre has come before the committee to give us some idea of just how an agency like yours might be affected by any contemplated

## [Translation]

non statutaire à but non lucratif, nous nous sentons particulièrement vulnérables parce que les dollars restant seront probablement d'abord acheminés vers les dépenses ministérielles du gouvernement, puis vers les organismes à but non lucratif assurant des services statutaires et en dernier lieu seulement vers les organismes non statutaires.

En chiffres bruts, et en proportion de la population du Canada, le nombre de personnes âgées augmente très rapidement. Le Conseil économique du Canada a montré qu'en 2030, une personne sur trois aura plus de 65 ans. Le comité spécial du Sénat dirigé par le sénateur David Croll a reconnu ces changements démographiques dans son rapport «La retraite sans larmes». Madame Bégin et M. McEachen ont récemment dirigé une conférence nationale sur les pensions afin d'étudier les réformes qui s'imposent dans ce domaine. Une partie importante de l'aide financière directe du fédéral est acheminée vers les vieillards par le biais de la sécurité de la vieillesse, des suppléments de revenu garanti, de l'allocation au conjoint, du Régime de pensions du Canada.

Il nous semble donc que le gouvernement fédéral a reconnu le besoin de plus en plus urgent de s'occuper des besoins des personnes âgées. Pourtant, au moment même où la demande à l'égard de ces services s'accroît, l'appui financier aux agences qui desservent les vieillards, comme le Age and Opportunity Centre accuse une baisse réelle. Une étude du gouvernement du Manitoba intitulée *Aging in Manitoba* (Vieillir au Manitoba) a reconnu que l'accessibilité aux services est le problème le plus urgent pour les personnes d'âge mûr. Pourtant, face aux restrictions soutenues, nous trouvons dans l'impossibilité de continuer à dispenser des services de quartier en offrant une quantité et une qualité que nous jugeons suffisante. A notre avis, les modifications proposées à l'égard des arrangements fiscaux fédéraux-provinciaux entraveront encore davantage notre aptitude à atteindre nos objectifs.

Nous ne souhaitons pas précisément le maintien du statu quo bien que nous sachions que certains premiers ministres ont dit être très satisfaits du système établi en 1977, notamment le premier ministre du Manitoba. Nous encouragerions plutôt les niveaux tant fédéral que provinciaux de gouvernement à veiller à ce que les accords fiscaux conclus entre eux assurent un financement suffisant et stable des programmes sociaux à court et à long terme et que ces arrangements continuent de comporter une souplesse qui permette aux provinces de financer les services qui ne sont pas prévus en toutes lettres dans la loi.

Je tiens à vous remercier de nous avoir donné l'occasion de vous rencontrer ce soir et de faire ces commentaires. Nous tâcherons de répondre le mieux possible à vos questions.

**Le président:** Je vous remercie, monsieur Bendor-Samuel. Monsieur Blaikie, avez-vous des questions à poser?

**M. Blaikie:** Monsieur Bendor-Samuel, je dois d'abord vous dire que je suis très heureux que le *Age and Opportunity Centre* compareisse devant le comité. Cela nous donne une idée de la mesure dans laquelle une agence comme la vôtre est

[Texte]

cutbacks. It is no secret to you that I had the opportunity to work with the Age and Opportunity Centre on a number of occasions before I was elected.

I wonder if you would elaborate just a bit on what you mean when you say that, just at the time services for seniors are in need of expansion because of the growing number of elderly people and the upward motion of the age bubble so to speak, in fact they are decreasing. Given that there have not been any federal cutbacks to date, could you tell us just what has been decreasing, and where? What kind of cutbacks have you experienced to this point?

**Mr. Bendor-Samuel:** In terms of actual cutbacks, we are now operating with the equivalent of five full-time staff fewer than we had last year, yet we are attempting to provide the same level of service. That is the most dramatic indication of the kind of cutbacks we have experienced. The primary reason for that, I suspect, is simply that our expenses, like everybody else's expenses, go up as inflation does generally; we have been experiencing inflation in the order of 8, 10, 12 per cent, but the grants that we have received from the various levels of government have not been of the same magnitude. It is simply a multiplication factor; 8 per cent short one year; 1 per cent short the next; before too long you are 25 or 30 per cent short of what you really need. Perhaps Bob Stewart has something he would like to add.

**Mr. Bob Stewart (Executive Director, Age and Opportunity Centre):** No. Since we are looking at federal-provincial fiscal arrangements, I would say that some of our difficulty in funding has come through other sources of revenue—particularly on the city level, and through our own inability to raise small special grants, and fees for service.

If you look at our provincial portion which is cost-shared with the federal government, this year we are looking at an increase from the provincial government in the order of 12 to 13 per cent; however, in the previous year we received just under 8 per cent when inflation was running at 10 per cent. The year before that we received just under 3 per cent, when inflation was running over 8 per cent. So as Dr. Bendor-Samuel has indicated, those compounded deficits against the cost of living have forced us to make dramatic changes in our operation and our level of service provisions.

**Mr. Blaikie:** With respect to the portion of your budget that comes from the province, and given that you have already mentioned what has happened in the last few years as opposed to some relatively good news this year, could you tell me something. Would you say that, since 1977 when many of the things we are talking about here, such as particularly EPF, although I know what you are talking about comes under the Canada Assistance Plan, it was at that point that both health care and social services right across the country tended to become an avenue of government restraint? And would you say that your agency has not been keeping up with inflation? It has been doing worse since in this last five year period than perhaps, the five year period before that? Or something like that.

**Mr. Stewart:** Generally, yes, although, I cannot say with certainty by recall whether the percentage increase on an

[Traduction]

touchée par des coupures envisagées. Vous savez que j'ai eu à maintes reprises l'occasion de travailler avec le *Age and Opportunity Centre* avant d'être élu.

Pourriez-vous préciser de quoi vous parlez au juste quant vous dites que les services aux personnes âgées doivent prendre de l'expansion parce que leur nombre augmente alors qu'il y a en fait une diminution. Comme le gouvernement fédéral n'a pas fait de coupures jusqu'à maintenant, pourriez-vous nous dire quoi, au juste, diminue et où? Quelles coupures y a-t-il eu jusqu'ici?

**M. Bendor-Samuel:** Pour parler de coupures réelles, notre personnel à temps plein compte cinq personnes de moins que l'année dernière. Nous tentons d'assurer quand même le même niveau de services. C'est l'exemple le plus impressionnant des coupures que nous avons subies. Je suppose que cela est d'abord dû au fait que nos dépenses, comme celles de tous les autres d'ailleurs, augmentent au gré de la poussée inflationniste. Nous avons subi une inflation de l'ordre de 8, 10, 12 p. 100 mais les subventions obtenues des divers niveaux de gouvernement n'ont pas augmenté au même rythme. C'est simplement un facteur de multiplication; un déficit de 8 p. 100 une année; de 1 p. 100 l'année suivante; avant longtemps on s'aperçoit qu'il manque de 25 à 30 p. 100 des fonds nécessaires. Bob Stewart a peut-être quelque chose à ajouter.

**M. Bob Stewart (directeur exécutif du Age and Opportunity Centre):** Non. Comme nous parlons d'arrangements fiscaux fédéraux-provinciaux, je dirais que les problèmes de financement les plus sérieux étaient liés à d'autres sources de revenu—surtout au niveau municipal et que nous n'avons pas su obtenir de petites subventions spéciales et des frais de services.

La province partage les frais avec le gouvernement fédéral et pour ce qui est de la part provinciale, il y a eu une augmentation de l'ordre de 12 à 13 p. 100, mais l'année précédente nous avons touché moins de 8 p. 100 alors que le taux d'inflation atteignait 10 p. 100. L'année d'avant, nous avions reçu moins de 3 p. 100 alors que le taux d'inflation atteignait plus de 8 p. 100. Donc, comme l'a dit M. Bendor-Samuel, ces déficits et le coût de la vie réunis nous ont forcés à apporter de sérieuses modifications au sein de notre agence et au niveau des services.

**M. Blaikie:** Je vous demanderais de me donner des précisions au sujet de la partie du budget qui provient de la province vu que vous avez déjà parlé de ce qui s'est passé au cours des dernières années par opposition aux chiffres plutôt encourageants pour cette année. C'est en 1977, année ou bien des programmes dont nous parlons, comme le FPE, bien que ceux dont vous parlez relèvent du Régime d'assistance du Canada, c'est à ce moment donc que les soins de santé et les services sociaux au pays ont commencé à faire l'objet de restrictions gouvernementales. Vous dites que votre agence n'a pas su faire face à l'inflation? Elle s'en est moins bien tirée au cours des cinq dernières années qu'au cours de la période de cinq ans qui a précédé?

**M. Stewart:** En général, oui, mais je ne me souviens pas exactement si l'augmentation annuelle du pourcentage avant



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annual basis, prior to 1977, related more closely to the rate of inflation then or not. I know that in the very short past, we have experienced significant difficulties.

**Mr. Blaikie:** Well, I just want to say, Mr. Chairman, perhaps finally, that we ought to take these representations very seriously. I was at a conference once sponsored by the Age and Opportunity bureau, I believe, and they talked about "grey power". So politically speaking, I think all of us here ought to be cognizant of the fact that there is going to be growing militancy among senior citizens and that this presentation ought to be taken quite seriously, if the language of "grey power" is indicative of the political future.

**The Chairman:** Mr. Thacker.

**Mr. Thacker:** Mr. Chairman, I have no questions for Dr. Bendor-Samuel, but I want to thank him for his brief too. It was interesting to listen to; part of our situation is the bulk of the evidence, you know, and we appreciate the evidence being on the record.

**The Chairman:** Mr. Herbert.

**Mr. Herbert:** Dr. Bendor-Samuel, you said that there is a demand for such services and that the demand is increasing. I see the problem of our committee possibly as distinguishing between demand and need. I do not think that we at the federal level are competent to decide whether there is a need. Probably, if the need were illustrated, most of us would agree that the funds should be provided.

Now, you started out by saying that you are not a politician. Well, we are just average "joe's" that happened to get elected, and we are faced with quite a problem. Let us assume that we agree with you for the moment, and just from my point of view and, as I said, I am not competent to agree or disagree because I just do not know, but, assuming that we do see a need and we want to see more moneys available to organizations such as yours, at the moment, if the funding is to be provided it has to come from the provincial government. But how do you suggest that we ensure whatever funding might be made available at the federal level, is passed into the provincial treasury? How can we ensure that it be made available for what is really needed, and not be used for other purposes, such as the building of roads? I just use that for the purpose of illustration and not as any criticism of either this provincial government or any other provincial government.

**Mr. Bendor-Samuel:** I do not have an easy answer to that problem. I am aware of course that, prior to 1977, many of the grants that were made to the provinces had specific tags and designations attached to them. I think, there are definitely advantages in that system. Speaking as a taxpayer, I would like to see that money which the federal government makes available for specific purposes, goes for those purposes. At the same time, I can see the need for the provincial government to maintain some flexibility in its own budgeting and have some concern for its own independence of action.

I think the agency essentially is forced into a kind of cop out situation. So really, all we can say is that this is a problem for politicians to solve, and we hope that you will be able to do it.

[Translation]

1977 était liée de plus près ou non à l'inflation. Je sais que dans le passé immédiat nous avons éprouvé de grandes difficultés.

**M. Blaikie:** Je voulais tout simplement dire, monsieur le président, que nous devrions prendre ces instances au sérieux. J'ai assisté à une conférence du *Age and Opportunity Centre* et on avait parlé du «Pouvoir gris». Sur le plan politique, je crois que nous devons tous savoir que le nombre de militants du troisième âge est destiné à augmenter et qu'il faut prendre cet exposé au sérieux, le langage du «pouvoir gris» étant peut-être celui de l'avenir.

**Le président:** Monsieur Thacker.

**M. Thacker:** Monsieur le président, je n'ai pas de questions à poser à M. Bendor-Samuels, mais je tiens aussi à le remercier. Son exposé était très intéressant; une partie de notre situation est évoquée dans les témoignages vous savez et nous apprécions le fait qu'ils soient consignés au compte rendu.

**Le président:** Monsieur Herbert.

**M. Herbert:** Monsieur Bendor-Samuel, vous avez dit qu'il existe une demande pour ces services et qu'elle s'accroît. Il se peut que notre comité ait de la difficulté à établir la distinction entre demande et besoin. Je ne crois pas que nous, au niveau fédéral, soyons en mesure d'établir si le besoin existe. Si on nous démontrait de façon concrète que le besoin existe, il est probable que la plupart d'entre nous conviendraient qu'il faut assurer les fonds.

Vous avez commencé par dire que vous n'étiez pas un homme politique. Mais nous ne sommes, pour notre part, que des hommes bien ordinaires qui se sont fait élire. Nous sommes aux prises avec un sérieux problème. Disons que nous sommes d'accord avec vous pour l'instant. Je le répète, je n'ai pas la compétence voulue pour être en accord ou en désaccord, mais si nous disons qu'il y a un besoin et que nous voulons que des organismes comme le vôtre obtiennent plus d'argent, il est vrai que pour l'instant le financement doit être assuré par le gouvernement provincial. A votre avis, comment pouvons-nous assurer que les fonds dégagés au niveau fédéral seront transférés dans la trésorerie provinciale? Comment être certains que ces fonds ne seront pas utilisés à d'autres fins, par exemple la construction de routes? Je prends cela comme exemple il ne s'agit pas ici de critiquer le gouvernement de votre province ou de toute autre province.

**M. Bendor-Samuel:** Je n'ai pas de réponse simple à ce problème. Je sais qu'avant 1977 les subventions accordées aux provinces l'étaient à des fins bien précises. Ce système comporte indéniablement des avantages. En tant que contribuable, j'aimerais bien que l'argent fourni par le gouvernement fédéral à des fins précises soit utilisé à ces fins. Je comprends aussi que le gouvernement provincial ait besoin de conserver une certaine souplesse dans l'établissement de son budget et qu'il tienne à une certaine indépendance d'action.

Dans un sens, on accule l'agence au pied du mur. Nous ne pouvons donc que dire que les hommes politiques doivent résoudre ce problème et nous espérons que vous pourrez le



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While you are trying to find a solution, please do not forget the effects of whatever solution you discover upon the elderly and upon the people who try to serve them. I can recognize the problem, but I do not think there is an easy answer.

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**Mr. Herbert:** Doctor, your comment is not unique. We get this from almost all our witnesses. But we are not particularly competent in this field either. Could you see the possibility that the federal government would assure the required funding to your organization through mechanisms which it presently uses to assist elderly persons, and I am thinking specifically of the New Horizons program, where we can fund directly with 100 per cent federal dollars?

**Mr. Bendor-Samuel:** Members of the public that we serve have taken advantage of New Horizons' opportunities in the past, and we have been able to provide some kind of leadership in the erection of senior citizen housing and things like that, so we are taking advantage of these. I think, yes, that is one acceptable way as far as we are concerned as an agency. I understand that a lot of the program in a sense has to do with credit. The federal government wishes to be sure that its contribution is recognized, and I think all too often the dollars that perhaps originate with the taxpayer, then go to Ottawa, and then come back to the provinces, lose not only their designation as Ottawa-origin but taxpayer-origin. As an agency, we are quite willing to do whatever we can to see that the proper credit is given, and it is not very much. We are not talking about large sums of money, but that is... We are quite prepared to do whatever we can to assure that due recognition is given when a federal program is involved.

**Mr. Herbert:** Doctor, in conclusion, and on that point, I can only say that if I was here trying to drum up credit for the federal government, I would just pack my bags and go back home. I want to see that the federal dollars are used for the purpose intended—that is one of our big problems. At the moment, those dollars are transferred into provincial treasuries, essentially without regard for the way in which they are going to be spent, or for that matter, the way in which the provincial government is going to match those dollars for the purpose intended. You have no ideas to offer to us? I know you say you are an expert, but it has to come from someone—someone has got to bite the bullet. Perhaps it will be us, in the final analysis, who will decide how we are going to ensure that the dollars that flow from the taxpayer, through the federal system, get back into the people's hands for the purposes for which they were intended.

**Mr. Stewart:** I guess the conundrum is in the degree to which you impose the control, bringing it down to a very day-to-day basis, for me. Prior to 1977, 1978, The Age and Opportunity Centre was budgeted on a line-by-line basis, and was accounted on a line-by-line basis, so that if we found in mid-year that we were operating at a surplus in our rent account, we could not transfer from that rent account to offset our deficit in our utilities account or in our social service

*[Traduction]*

faire. Pendant que vous essayez de trouver une solution, n'en oubliez pas les conséquences pour les personnes âgées et pour ceux qui essaient de les desservir. Je reconnais le problème mais je ne crois pas qu'il y ait de solution facile.

**M. Herbert:** Monsieur, vous n'êtes pas les seuls à tenir des propos de ce genre. C'est le cas de presque tous nos témoins. Nous ne sommes pas particulièrement compétents en la matière non plus. A votre avis, serait-il possible que le gouvernement fédéral assure le financement voulu à votre agence par le biais des mécanismes qu'il utilise actuellement pour venir en aide aux personnes âgées. Je pense précisément aux programmes Nouveaux Horizons où le financement se fait directement avec des dollars provenant à 100 p. 100 du gouvernement fédéral?

**M. Bendor-Samuel:** Ceux que nous desservons ont profité du programme Nouveaux Horizons dans le passé et nous avons fourni des conseils au niveau de la construction de logements à l'intention des personnes âgées. Nous en profitons donc. C'est un moyen acceptable pour nous en tant qu'agence. Je sais que le programme est dans une large mesure une question de reconnaissance. Le gouvernement fédéral veut que sa contribution soit reconnue. Il arrive trop souvent à mon avis que les dollars du contribuable se rendent à Ottawa puis reviennent aux provinces et perdent leur identité non seulement de dollar en provenance d'Ottawa, mais aussi de dollar fourni par le contribuable. En tant qu'agence, nous sommes disposés à faire l'impossible pour que le mérite de chacun soit reconnu mais ce n'est pas beaucoup. Nous ne parlons pas de fortes sommes mais c'est... Nous sommes disposés à faire ce que nous pouvons pour reconnaître le mérite des intéressés quand il s'agit d'un programme fédéral.

**M. Herbert:** Monsieur, en guise de conclusion, permettez-moi de dire que si j'étais ici pour faire reconnaître les mérites du gouvernement fédéral, je plierais bagages et je rentrerais chez moi. Je voudrais que les dollars fédéraux soient utilisés aux fins prévues, c'est l'un de nos problèmes urgents. Pour l'instant, ces dollars sont transférés dans les trésoreries provinciales, sans qu'on tienne compte de la façon dont ils seront dépensés ou encore de la façon dont le gouvernement appuiera cette somme aux fins prévues. Vous n'avez rien à proposer? Je sais que vous n'êtes pas un expert, mais les idées doivent venir de quelqu'un, quelqu'un doit oser faire ce pas. Il nous appartiendra peut-être au bout du compte de décider de quelle façon veiller à ce que les dollars qui proviennent du contribuable à l'origine et qui passent par le système fédéral retournent entre les mains du peuple pour être dépensés aux fins prévues.

**M. Stewart:** Il s'agit de savoir dans quelle mesure imposer le contrôle et l'adapter au quotidien. Avant 1977 et 1978, le *Age and Opportunity Centre* était financé, poste par poste et la comptabilité se faisait de la même façon. Si nous constatons vers le milieu de l'année qu'il y avait un surplus au chapitre du loyer, nous ne pouvions pas transférer cet argent au compte des services pour y combler un déficit ou au compte des services sociaux sans obtenir au préalable le consentement de

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account without specific approval from our funder. Since that time, although we are budgeted on a line-by-line basis, once the grant is received on a block basis, then we have the flexibility within the fiscal year to allocate from one cost centre to another and to allocate from one line to another, as long as we do not exceed the maximum, knowing that we are accountable at year end, and we are accountable going into the next year, as we appeal for funds.

Certainly from a management vantage point, there is greater ease in operating on this block grant basis than there is on line-by-line funding approval basis for each change we wish to make. But there still is that control at year end, that justification that the dollar that was contributed to us from the tax dollar was spent reasonably in accordance with the wishes of the funder, acting on behalf of the public, and in the control the funder would have in their choice whether they allocate to you in the next fiscal year the same dollars, fewer dollars, or more dollars. So I am not sure, if I were to extrapolate to the federal-provincial relationships, whether I would not agree that the provinces require reasonable flexibility in the expenditure of the funds allocated to them by the federal government. But there must be some specific control either year to year in terms of the arrangements or over a longer period of time to ensure some stability, where the federal government does impose greater controls. If not a 50-50 cost sharing as took place before—the provinces do say that leads to inefficiencies and there must be something else—if it is not specific cost sharing, there must be then some onus on the provinces to satisfy the federal government that the dollars that were received in the previous year and the dollars received in the next year are going to satisfactory purposes. As we go to our funders with cap in hand, our cap must have proposals satisfactory to them for specific expenditures. Perhaps the provinces need to do the same with the federal government.

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**Mr. Herbert:** Thank you very much.

**The Chairman:** Mr. Blenkarn.

**Mr. Blenkarn:** That brings me to your particular situation. You are presently funded by a number of CAP grants, grants from municipalities and grants from the province, and you have mentioned the ability to take advantage of New Horizons programs and so on—all these are accountable programs. Are you suggesting to us there should be some change in those programs with respect to your organization? Are you suggesting that you should be block funded?

**Mr. Bendor-Samuel:** In some ways, it will make it a lot simpler.

**Mr. Blenkarn:** But would you be able, if you were block funded as an organization, without any of these bookkeeping controls that cost you money and obviously cost the person examining your books with respect to CAP, the provincial government and the federal government—two sets of government examining your books, essentially—to have your opera-

*[Translation]*

l'organisme de financement. Depuis lors, même si notre budget est subdivisé, une fois la subvention globale touchée, nous pouvons dans le cadre de la même année financière diriger les fonds d'un centre à l'autre ou d'un poste à l'autre tant que nous ne dépassons pas le maximum en sachant que nous sommes comptables à la fin de l'année et pour l'année suivante quand nous demandons des subventions.

Du point de vue administratif, il est évidemment plus facile de fonctionner avec une subvention globale plutôt qu'avec une subvention morcelée qui nous oblige à obtenir l'approbation chaque fois que nous voulons faire un changement. Il y a toujours bien sûr le contrôle de fin d'année. Nous devons montrer que le dollar fiscal attribué a été dépensé raisonnablement, conformément aux désirs de celui qui nous a financés, que nous agissons au nom du public, pour son bien. L'organisme de financement peut alors choisir de nous attribuer pour l'année financière suivante, la même somme, une somme moins élevée ou encore plus élevée. Appliquant cela aux relations fédérales-provinciales, je ne suis pas sûr de ne pas convenir que la province doit disposer d'une souplesse raisonnable quand il s'agit de dépenser les fonds attribués par le gouvernement fédéral. Il faut cependant un contrôle précis d'une année à l'autre pour ce qui est des arrangements ou pour une période plus longue pour assurer une certaine stabilité quand le gouvernement fédéral impose des contrôles plus rigoureux. Si le partage des frais ne se fait pas à 50-50, comme auparavant—les provinces disent que ce n'est pas efficace et qu'il faut autre chose—si le partage n'est pas précisé, les provinces doivent trouver le moyen d'assurer au gouvernement fédéral que les dollars qui ont été touchés au cours de l'année précédente et au cours de celle qui suivra serviront à des fins satisfaisantes. Quand nous allons voir ceux qui nous subventionnent il faut leur soumettre des propositions qui leur donne satisfaction à l'égard de dépenses précises. Les provinces devraient peut-être faire de même quand elles s'adressent au gouvernement fédéral.

**M. Herbert:** Je vous remercie.

**Le président:** Monsieur Blenkarn.

**M. Blenkarn:** J'en viens donc à votre situation. Vous êtes financés présentement par des subventions du Régime d'assistance du Canada, des subventions municipales et provinciales et vous avez dit que vous pouvez avoir recours aux programmes Nouveaux Horizons. Il faut rendre compte de vos dépenses dans tous les cas. A votre avis, faudrait-il modifier ces programmes en ce qui a trait à votre agence? Faudrait-il des subventions globales?

**M. Bendor-Samuel:** Dans un sens, cela simplifierait beaucoup les choses.

**M. Blenkarn:** Serait-il pratique dans votre cas de verser une subvention globale à l'agence c'est-à-dire qu'il n'y aurait pas de vérification coûteuse pour vous et pour le Programme d'assistance, le gouvernement provincial et le gouvernement fédéral. Les représentants de deux gouvernements examinent



[Texte]

tions block funded completely? Would you not be able to do a better job if you were totally block funded?

**Mr. Bendor-Samuel:** I think what is more important is the predictability of revenue. If we are told or if we know sufficiently far in advance what our revenues are, or going to be, then I think we can establish our own priorities and do the job that we set out to do. A major part of the problem is simply no stability, no long-range awareness of what is going to take place. I think that as a publicly-funded organization, we should be accountable and that even if we were block funded and even if this were to bring a greater managerial convenience, we would still have a responsibility to inform the public as to the way in which our money had been spent.

**Mr. Blenkarn:** I gather then that your position is that block funding would be far more convenient to you and that if you were block funded in some sense, you would be able to do a better job because you would not have to be so worried where each nickel and dime were going, but that you think there should be some set of accountability rules.

We are faced with another program called the Established Programs Financing Act where we block fund the provinces and the block fund grows based on increase in GNP, so it is a fairly predictable thing. The provinces can read the GNP figures as well as the federal government can and they can determine that their block of funds is likely to be within a few dollars of what it is. So they have a block funding arrangement. It is essentially an unaccountable block funding arrangement but it is a block fund for certain programs under EPF. Do you think, operating an agency like you do, that you would be better off with that type of block funding?

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**Mr. Stewart:** My response would be, no. I have described a middle ground that we experience now in contrast to four or five years ago. We have moved from line by line specific accountability to more block-like funding, but I would suggest that the kinds of checks and balances that are built into the process of proposing the plans you have for expending the money in advance, serves for us as some check to the public wishes. Our board and our operation does not profess to speak fully for the citizens of Winnipeg who are aged; that public voice expressed through elected officials and their representatives is helpful to us.

**Mr. Blenkarn:** Dr. Bendor-Samuel has already suggested to us that you would like a form of funding that would give you predictable amounts, not this year, but next year and the year after, so that you could budget accordingly. Under specific guidelines you can wind up, on your evidence, with funds' being cut off for programs, or given for programs that are totally the antithesis of what you would require—would you appreciate Ottawa's doing that for you?

**Mr. Stewart:** What you are asking me, is would I appreciate what the province currently does to or for us . . .

[Traduction]

alors vos livres. Votre travail ne serait-il pas plus valable si vous étiez financés d'une façon globale?

**M. Bendor-Samuel:** Il importerait encore davantage que les revenus soient prévisibles. Si nous savons assez longtemps d'avance quelle somme nous toucherons, il nous est plus facile d'établir un ordre de priorités et de faire le travail prévu. Le problème est lié dans une large mesure au manque de stabilité, au fait que nous ne savons pas à long terme ce qui va se passer. En tant qu'organisme touchant des subventions publiques, il nous faut rendre compte de nos actions. Ce serait vrai même si nous étions financés globalement ce qui serait plus pratique sur le plan administratif bien sûr. Mais nous serions encore tenus de rendre compte au public de la façon dont nous avons dépensé l'argent.

**M. Blenkarn:** Vous dites donc que le financement global serait plus pratique pour vous et qu'il vous permettrait de faire un meilleur travail parce que vous n'auriez pas à vous inquiéter des allées et venues de chaque pièce de cinq cents et de dix cents. Vous pensez aussi qu'il faudrait des règlements au sujet de la comptabilité.

Nous étudions aussi un programme appelé loi sur le financement des programmes établis. Dans le cadre de ce programme, nous accordons une subvention globale aux provinces et cette subvention augmente en fonction du PNB, si bien que le tout est assez prévisible. Les provinces sont tout aussi en mesure d'interpréter les chiffres du PNB que le gouvernement fédéral et elles peuvent établir ce que sera leur subvention à quelques dollars près. Il existe donc un arrangement en matière de financement global. Il s'agit essentiellement d'un arrangement où il n'est pas nécessaire de rendre compte des dépenses, mais la subvention s'applique à certains programmes du FPE. Dans le cas de votre agence, ce genre de financement global serait-il avantageux?

**M. Stewart:** Ma réponse serait non. J'ai décrit la situation moyenne que nous vivons maintenant comparativement à il y a quatre ou cinq ans. Nous sommes passés de la comptabilisation précise poste par poste à un financement global mais à mon avis les vérifications qui font partie des projets de dépenses nous permettent de connaître les intentions du public. Notre conseil et notre organisme ne prétendent pas parler au nom de toutes les personnes âgées de Winnipeg; cette voix publique qui s'exprime par l'entremise des fonctionnaires élus et de leurs représentants nous est très utile.

**M. Blenkarn:** M. Bendor-Samuel nous a déjà dit que vous souhaiteriez une forme de financement qui vous donnerait des montants prévisibles pas seulement cette année mais toutes celles qui suivront afin que vous puissiez dresser votre budget en conséquence. Vous dites que quand les lignes de conduite sont autres, certains programmes ne sont plus financés ou bien on en finance d'autres qui vont à l'encontre de vos besoins—aimeriez-vous qu'Ottawa fasse ce travail pour vous?

**M. Stewart:** Vous me demandez si j'apprécie ce que la province fait . . .



[Text]

**Mr. Blenkarn:** Excuse me; we are Ottawa-based, remember.

**Mr. Stewart:** I understand it.

**Mr. Blenkarn:** It is our dollars that go to the province. I guess what we are really asking you is, should we be giving block funding to your province so they can blockfund you, or should we so tightly control them that they will therefore impose the same kind of controls on you?

**Mr. Stewart:** I understood your question. I was starting from behind the field rather than in front of it.

As I interpreted your question, what you are asking me is: Should you, as the federal government, do to the provinces now what the provinces do to us. I would suggest that some of the controls that the provinces impose on us are acceptable to us. The problem of long-term stable funding that Dr. Bendor-Samuel has suggested is a problem. We would certainly prefer that our proposals and our plans and our justification of our being, be able to be done on longer than annual terms, but that does not remove the onus from us to prove our worth, nor the onus on our funder to be satisfied of our worth.

**Mr. Blenkarn:** Thank you.

**The Chairman:** Thank you very much, gentlemen, for your testimony. It was certainly very helpful and I thank you for coming before us.

**Dr. Bendor-Samuel:** Thank you very much, Mr. Chairman.

**The Chairman:** We will now proceed with our next witness from the University of Manitoba, St. John's College, Professor Paul Thomas.

I would ask Professor Thomas to approach the table, please. We have not received . . .

**Mr. Paul Thomas (St. John's College University of Manitoba):** I have copies of remarks; they are not the remarks I am going to make this evening but they are background to some of the things I wish to say.

**The Chairman:** I take it, Professor Thomas, you want to make an opening statement?

**Mr. Thomas:** Just a brief opening statement, Mr. Breau, if I could; then leave the bulk of the time for questions. I think I can present some of the . . .

**The Chairman:** Do you wish these background notes to be appended as your position?

**Mr. Thomas:** It makes no difference to me, really. That is an address given last fall. I am revising and updating that to incorporate some references to the impact of established-programs financing on community colleges and vocational education. I have revised the underlying thesis of the paper somewhat. It makes no different to me, really, though.

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**The Chairman:** We will just use it for background then. We will hear your opening remarks; then go on to questioning.

**Mr. Thomas:** Let me just say, first, that I welcome this opportunity to appear before the committee, partly because my

[Translation]

**M. Blenkarn:** Excusez-moi; n'oubliez pas que nous travaillons à Ottawa.

**M. Stewart:** Oui, je comprends.

**M. Blenkarn:** Ce sont nos dollars qui vont aux provinces. En fait nous vous demandons si nous devrions financer globalement les provinces pour qu'à leur tour elles vous financent globalement, ou devrions-nous plutôt leur imposer des contrôles rigoureux pour qu'elles vous imposent le même genre de contrôle.

**M. Stewart:** J'ai compris votre question. Je commençais par la fin au lieu du début.

Je l'ai interprétée de la façon suivante: en tant que gouvernement fédéral devriez-vous traiter les provinces de la façon dont elles nous traitent actuellement. Je dirais que certains des contrôles que nous imposent les provinces sont acceptables. Le financement stable à long terme proposé par M. Bendor-Samuel comporte un problème. Nous préférierions certes pouvoir faire des projets et les justifier pour des périodes plus longues qu'une année mais cela ne supprime en rien notre devoir de prouver notre valeur et le fait que l'organisme de financement doit être satisfait de notre travail.

**M. Blenkarn:** Je vous remercie.

**Le président:** Je vous remercie messieurs d'avoir témoigné. Cela nous a été très utile.

**M. Bendor-Samuel:** Je vous remercie, monsieur le président.

**Le président:** Nous passons maintenant à notre prochain témoin, de l'Université du Manitoba, collège St John's, le professeur Paul Thomas.

Professeur Thomas, veuillez vous approcher de la table. Nous n'avons pas encore reçu . . .

**M. Paul Thomas, St. John's College (Université du Manitoba):** J'ai des copies de commentaires; il ne s'agit pas de ceux que je vais faire ce soir mais ils servent de base à certains d'entre eux.

**Le président:** Je crois, professeur Thomas que vous voulez faire une déclaration préliminaire?

**M. Thomas:** Elle sera très brève, le reste du temps sera consacré aux questions. Je présenterai . . .

**Le président:** Voulez-vous que ces notes soient annexées à votre témoignage?

**M. Thomas:** Cela m'est égal. Il s'agit d'une allocution prononcée l'automne dernier. Je suis en train de réviser le texte et de le remettre à jour, j'y ajouterai des références sur les répercussions du financement des programmes établis sur les collèges communautaires et la formation professionnelle. J'ai remanié la thèse de base du document. Cela m'est égal.

**Le président:** Nous nous en servons donc comme document de base. Nous écouterons vos propos préliminaires puis nous passerons aux questions.

**M. Thomas:** Permettez-moi d'abord de dire que je suis heureux d'avoir l'occasion de comparaître devant le comité. En

## [Texte]

professional life is divided between studying parliamentary committees for a living as a political scientist, and I have interviewed some of the gentlemen in the room on that question at various times; secondly because my second preoccupation . . .

**The Chairman:** Have you learned anything?

**Mr. Thomas:** Pardon? I frankly . . . well, maybe we should await judgment on this particular task force exercise, but I have been impressed so far with what these smaller task forces that have been under-way in the last year or so have been able to accomplish.

The other part of my life has been involved with federal-provincial relations; I was an officer in the Federal-Provincial Relations Branch in the Government of Manitoba for three years at the time of the Carter tax reforms. I guess the point I wanted to raise with the committee is really a question. Then I will provide some commentary on the question.

The question is: Is there a national interest in higher education? If there is a national interest in higher education, does the existing structure of financial arrangements and structural arrangements within the federal system allow for the suitable expression of that interest in higher educational matters.

My answer to the first question is yes, there is a national interest in higher education for a variety of reasons that I will get into momentarily. Secondly, I do not think the present financial arrangements or structural arrangements—the council of education ministers—allows for the expression of that interest in a suitable manner. I think one of the problems, of course, and you have heard a lot of this in your travels across the country already, is that the crunch for universities is coming now over the next decade. Therefore the whole debate on the question of the relative responsibilities of different levels of government is taking place in the context of a situation of financial restraint, so there is more agonizing going on over the question of how universities will be funded in the future. You all know the scenario for universities over the next decade: declining enrollments, restrained grants from provinces that do not keep pace with inflation, unemployment among certain categories of university graduates, and so on. I will not reiterate those in great detail.

The one thing which, I think, needs to be noted though, because university spokesmen are often reluctant to say it, is that they are also faced with a challenge, and that part of the problem is an internal problem. My impression from being an administrator within a university for a short period of time, and watching my university at work at least, is that universities generally, I think, lack what I might call adaptive coherence. They cannot change their internal behaviour consistent with changes in their environment, partly because we are unionized now—we call ourselves faculty associations, but that is a euphemism for a union—and because 85 per cent of budgets approximately are salaries, so the financial room to manoeuvre for universities is very, very limited. The internal rigidities within the budgetary process make it very, very difficult to engage in internal reallocation. So some of the problem would be solved if the universities would—to use a

## [Traduction]

effet une partie de ma vie professionnelle consiste à étudier les délibérations des comités parlementaires car je suis spécialisé en sciences politiques. J'ai d'ailleurs souvent eu l'occasion d'interroger les messieurs qui sont présents ici; deuxièmement, je m'occupe . . .

**Le président:** Avez-vous appris quelque chose?

**M. Thomas:** Pardon? Eh bien . . . Il faudrait peut-être attendre le résultat des travaux de ce groupe mais jusqu'ici j'ai été impressionné par ce qu'ont accompli les petits groupes de travail l'année dernière.

Je m'occupe depuis longtemps de relations fédérales-provinciales. J'ai été agent préposé aux relations fédérales-provinciales au gouvernement du Manitoba pendant trois ans à l'époque des réformes fiscales Carter. Je pense que je voulais surtout poser une question au comité. Je ferai ensuite un commentaire à ce sujet.

Voici la question: Est-ce qu'il existe un intérêt sur le plan national pour les études supérieures? Le cas échéant, la structure déjà existante des accords fiscaux et les structures du système fédéral permettent-elles une libre expression de cet intérêt pour les études supérieures.

Ma réponse à la première question est oui, il y a un intérêt national pour les études supérieures, ce pour diverses raisons que je vais exposer sous peu. En deuxième lieu, je ne crois pas que les arrangements financiers ou les structures actuelles—le conseil des ministres de l'éducation—permettent que cet intérêt se manifeste d'une façon convenable. L'un des problèmes, vous en avez sans doute souvent entendu parler un peu partout au pays est que les universités se trouveront dans une situation très délicate au cours de la prochaine décennie. Le débat sur la question des responsabilités relatives des divers niveaux de gouvernement a donc lieu dans un contexte de restrictions financières et on s'inquiète beaucoup de la question du financement ultérieur des universités. Vous connaissez le scénario; le nombre d'inscriptions dans les universités accuse une baisse, les subventions provinciales diminuent et ne suivent pas le taux d'inflation, il y a du chômage dans certaines catégories de diplômés universitaires et ainsi de suite. Je ne parlerai pas longuement de ces problèmes souvent étudiés.

Il faut signaler cependant, parce que les porte-parole des universités hésitent souvent à le dire, qu'il y a un défi à relever et que cette partie du problème touche les questions internes. Je suis depuis peu administrateur d'une université et en voyant la façon dont les choses fonctionnent chez nous en tout cas, j'en viens à la conclusion que les universités manquent en général de ce que l'on pourrait appeler la cohérence d'adaptation. Elles ne peuvent modifier leur comportement interne en fonction des changements dans le milieu, parce que nous formons des syndicats maintenant, nous parlons d'associations de faculté mais c'est un euphémisme il s'agit en fait d'un syndicat. Comme les traitements représentent 85 p. 100 du budget, le champ d'action des universités en matière de finances est très restreint. Les rigidités internes du processus budgétaire font qu'il est très difficile de faire de la réallocation interne. On pourrait obtenir des résultats si les universités se



*[Text]*

colloquial expression—get their acts together and solve some of their own internal financial management problems.

I will not take you through the 1977 fiscal arrangements. I think you are well familiar with that story. I think the federal government decided, as background to the 1977 Fiscal Arrangements Act, that it was paying a very heavy price in financing these major shared-cost programs. They constituted a large uncontrollable item in the federal budget and it was an item for which they received too little political credit in their view. For that reason they decided to opt out. I think that is the main reason. I think a subsidiary reason, not nearly as important, was the anomalous position of the Province of Quebec outside of these programs. Consistent with Mr. Trudeau's belief that Quebec should not evolve into a special constitutional status and since you could not persuade Quebec to participate along with other provinces in these national shared-cost programs, another route to go was to make all the other provinces like Quebec and say to them all: well, you take over these shared-cost programs the same way that Quebec has done and accept tax transfers the way the Fiscal Arrangements Act provides.

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I just want to point to a number of features of EPF, Established Programs Financing. I will not go through the detail of the arrangements—you people are all familiar with that. I think you should be reminded from my former colleagues in the Department of Finance that often the federal government in its calculation of winners and losers under established program financing does not recognize the importance of the so-called revenue guarantee in the 1977 agreement. In the eyes of provincial officials, that counts for two, maybe three percentage points of personal income tax. So when you are calculating, say, federal contributions to universities, post-secondary institutions, and health—hospital insurance and medicare—you have to deduct, in the eyes of provincial officials at least, the revenue guarantee portion of the Establish Programs Financing block grant.

Now, you may say they labour under a misperception; that the revenue guarantee was not to last in perpetuity. Nonetheless, it is a perception strongly held; it is a strongly held conviction; and I could show you correspondence I have had with people in the Governments of Saskatchewan and B.C. and Manitoba which would argue very, very strongly that the federal government does not recognize that sufficiently.

The second issue I thought I might comment on is a point that came up just a few moments ago in Mr. Herbert's questions: the question of diversion of federal funds to other purposes. I think, frankly, you have to acquit the provinces of this charge. This was made particularly in the heat of the 1977 provincial election campaign. The argument was presented throughout that campaign, as you are aware, that the provinces were misusing these funds which were transferred under EPF. In fact, I think they are cleared of that charge now by Mr. Hall's report, in the case of health care, where he argues that at least the tax-point portion of the block grant received under EPF cannot be considered in any way to be a condition-

*[Translation]*

mettaient au travail pour régler une partie de leur problème interne de gestion financière.

Je ne reprendrai pas les arrangements de 1977. Vous connaissez très bien la question. En préparant la loi de 1977 sur les arrangements fiscaux je pense que le gouvernement fédéral a trouvé qu'il payait très cher le financement de ces grands programmes à frais partagés. Cet article du budget était très lourd, impossible à contrôler et on ne reconnaissait pas à sa juste valeur sur le plan politique la contribution fédérale. Le gouvernement a donc décidé de se retirer. Il y a une autre raison bien qu'elle ne soit pas du tout aussi importante. Il s'agit de la position exceptionnelle du Québec qui ne participait pas à ces programmes. M. Trudeau estimant que le Québec ne devait pas acquérir de statut constitutionnel spécial et vu l'impossibilité de persuader le Québec de participer avec les autres provinces à ces programmes de partage des frais, on pouvait également choisir de placer les autres provinces dans la même situation que le Québec et leur dire: Chargez-vous de ces programmes de frais partagés comme le Québec l'a fait et acceptez les transferts fiscaux prévus par la loi sur les accords fiscaux.

Je voudrais parler de certaines caractéristiques du financement des programmes établis. Je n'entrerai pas dans le détail, vous connaissez bien la question. Mais à mon avis mes anciens collègues du ministère des Finances devraient vous rappeler que souvent quand le gouvernement fédéral choisit les gagnants du financement des programmes établis, il ne reconnaît pas l'importance de la prétendue garantie de revenu figurant dans l'accord de 1977. Aux yeux des fonctionnaires provinciaux, cela représente deux peut-être trois points d'impôt personnel sur le revenu. Donc, quand on calcule la contribution fédérale aux universités et aux établissements postsecondaires, à l'assurance-santé et à l'assurance-hospitalisation, il faut déduire, de l'avis des fonctionnaires provinciaux, au moins la portion de revenu garanti de la subvention globale aux programmes établis.

Vous direz peut-être qu'ils se trompent, que le revenu garanti n'était pas destiné à durer éternellement. Néanmoins, cette perception dure, c'est une conviction profonde; je pourrais vous montrer de la correspondance que j'ai échangée avec les gouvernements de la Saskatchewan de la Colombie-Britannique et du Manitoba qui montre clairement que le gouvernement fédéral n'est pas assez conscient de ce phénomène.

Je voulais soulever une deuxième question dont M. Herbert a parlé il y a quelques instants: il s'agit de l'affectation des fonds fédéraux à d'autres fins. Il faut à mon avis disculper les provinces. On avait porté cette accusation pendant la chaude campagne électorale de 1977. Tout au long de la campagne on avait dit, vous vous en souviendrez, que les provinces faisaient un usage abusif des fonds transférés dans le cadre des programmes établis. Je pense qu'on a laissé tomber l'accusation à la suite du rapport Hall sur les soins de santé. Il soutenait que la partie «points fiscaux» de la subvention globale aux programmes établis ne pouvait être considérée comme une subvention sous conditions. Il s'agit ou contraire d'une subvention



## [Texte]

al grant. It is an unconditional grant. The provinces have complete fiscal freedom to do what they wish with that money; to divert it to roads, to use the popular example which has become a basis on which to try to hang the provinces.

I think the provinces have no legal requirement to spend the money under the three established programs. I think the obligation is even less—far less—under post-secondary education, simply because there is no national education act which sets standards or provides general guide-lines for federal spending towards education. So I think the AUCT and the CAUT, while they might want to score points against the provinces, are on weak grounds in accusing the provinces of doing something they are not allowed to do under Established Programs Financing.

However, here is where I have made one slight revision to that paper I have circulated. In that paper I argue that the Liberal government of the day, when it agreed to established programs financing, rather naively assumed spending on the three major shared-cost programs would follow the pattern that existed prior to 1977; that is, that post-secondary education would get about a third of the money, and so on. In talking to people in the federal government, in the bureaucracy, and in talking to provincial officials, I do not think they were naive at all. I think they expected the provinces to use the financial freedom they were granted under EPF and they assumed in fact cost-cutting would take place within the provincial budgets. That was the whole rationale for established programs financing. Subsequently, when there was a backlash, especially against cut-backs on health spending, it looked like a good political situation to score some points against the provinces.

It is not to say that federal bashing does not go on. I am just saying the federal government, and more particularly the Minister of Health and Welfare, saw some advantages to criticizing the provinces under this. Far less concern was expressed about the impact of EPF on university financing. I have a rather morbid line for that. It is that you have hospital wards lined up with dead bodies and universities cannot find enough live bodies. It dramatizes, I think, the dilemma, that there were not nearly as many political gains to be made by the federal government and the Liberal party by attacking cut-backs in university spending.

So as I see it, there are no national standards in education; there is no requirement for the provinces to use that money. I think the suggestion made by the AUCC that the provinces are not spending an appropriate amount of the federal transfer payment on higher education is misplaced. I think it is an unfair criticism. They argue now that the universities and colleges are paid for, 82 per cent, from the federal treasury. I think that is based on some false assumptions about the obligations of the provinces to use the federal money; the transfer moneys from the federal government.

I think it is counterproductive, though, to dwell upon the past and to try to label "villains" and "good guys" in this whole debate. That is really why I am dissenting somewhat from the position taken by major university organizations and

## [Traduction]

à laquelle aucune condition n'est attachée. Les provinces sont entièrement libres sur le plan financier: elles peuvent consacrer l'argent à la construction de routes si elles le souhaitent pour reprendre l'exemple populaire auquel on fait si souvent allusion quand on a le goût de les faire pendre.

Rien dans la loi, je pense, n'oblige les provinces à dépenser l'argent dans le cadre des trois programmes établis. L'obligation existe encore moins au chapitre de l'instruction postsecondaire, simplement parce qu'il n'y a pas de loi nationale sur l'instruction établissant des normes ou des lignes de conduite générale à l'égard des dépenses fédérales en matière d'éducation. L'AUCT et la CAUT s'en prennent aux provinces mais leur position est faible parce qu'ils accusent celles-ci de faire ce qu'elles ne sont pas autorisées à faire dans le cadre du financement des programmes établis.

Je signale ici que j'ai apporté une petite correction au document que j'ai fait distribuer. Je soutiens dans ce document que le gouvernement libéral de l'époque quand il a convenu d'adopter le financement des programmes établis a assez naïvement cru que le financement des trois principaux programmes de frais partagés continuerait de suivre les tendances qui existaient avant 1977; c'est-à-dire que l'enseignement postsecondaire se verrait attribuer un tiers de la somme et ainsi de suite. J'ai parlé aux fonctionnaires fédéraux et provinciaux et à mon avis il n'y avait aucune naïveté de leur part. Ils s'attendaient à ce que les provinces profitent de la liberté financière accordée dans le cadre du FPE et ils ont présumé qu'il y aurait une réduction des frais dans les budgets provinciaux. Ce principe sous-tendait le financement des programmes établis. Par la suite, quand on a protesté, surtout contre les coupures dans le domaine de la santé. On a jugé politiquement avantageux de s'en prendre aux provinces.

Je ne dis pas que la situation a tellement changé. Mais le gouvernement fédéral et plus précisément le ministre de la santé et du Bien-être a jugé utile de critiquer les provinces à ce chapitre. On a manifesté beaucoup moins d'intérêt pour les répercussions du FPE sur le financement des universités. J'ai une façon personnelle un peu morbide de décrire la situation: les hôpitaux sont remplis de cadavres tandis que les universités pour leur part ne parviennent pas à trouver assez de vivants. Cela fait ressortir le dilemme. Il était moins avantageux sur le plan politique pour le gouvernement fédéral et pour les libéraux de s'en prendre aux dépenses universitaires.

Il n'y a donc pas de normes nationales dans le domaine de l'éducation: on n'exige pas des provinces qu'elles utilisent cet argent. Je trouve déplacé le commentaire de l'AUCC voulant que les provinces ne consacrent pas une assez grande partie des paiements de transferts fédéraux aux études supérieures. C'est une critique injuste. On soutient maintenant que la trésorerie fédérale finance à 82 pour cent les universités et les collèges. On présume à tort que les provinces ont des obligations à respecter quand il s'agit de dépenser l'argent du fédéral.

Il est cependant peu productif de s'attacher au passé et de plaquer des étiquettes de «bons» et de «méchants» sur les intéressés. Voilà pourquoi je ne suis pas tout à fait d'accord avec la position adoptée par la plupart des associations univer-

## [Text]

professional organizations representing universities. I think that debate is over with now, and you have to get on to looking at some constructive alternatives to the present arrangements, which seem not to please many people.

## • 1945

I just want to say a couple of things, finally, about EPF. One of the concerns I had, when it was adopted—and I could not arouse much interest among my academic colleagues in this, and the universities missed the boat on this very badly, I think; when this was in the throes of negotiation and being debated in Parliament, they did not come forward and testify in great numbers—one of the concerns I had was that M.P.s like yourselves would have a declining interest and commitment to the national interest in higher education or in health care when all the money was transferred under a grotesquely complicated tax transfer arrangement or cash grant arrangement, with three-year moving averages and so on. There is not even a forum—a parliamentary forum—as I understand it, where these matters are regularly debated. Occasionally amendments to the Federal-Provincial Fiscal Arrangements Act are sent to the Finance Committee of the House of Commons, but there is not a regular committee of the House of Commons where federal-provincial fiscal arrangements are reviewed on an ongoing basis.

So my concern was simply that M.P.s would not pay continuous attention to this, even though substantial amounts of federal money were being put into universities and the health system in this country. That was one concern: that there would be a declining interest and commitment to higher education within the federal government. I think you can see that in the small size now of the Secretary of State's education branch. I think you can see that in the fact that Mr. Fox is simultaneously Secretary of State and Minister of Communications. That indicates to me, at least, that the federal government is not abdicating its role in higher education, but it will not take as much of a direct interest and direct involvement in educational matters. That is one implication.

Secondly, I think this declining interest could lead to a questioning of the federal government's role in the funding of university-based research. If the province argue now that they provide the bulk of the operational funds for universities, they will begin to insist that university research should accord more with provincial priorities than with federally established priorities. I know there is a federal-provincial committee on university research funding, and the federal government is represented there, but I think again it is significant that Mr. Roberts, in his latest plans for increased expenditures on research and development in Canada, places a far greater reliance on the private sector than he does on the university sector to supply that additional surge in research and development.

Finally, my greatest concern related to EPF, I suppose, was that it could lead to increased disparities in the per capita funding of universities and vocational colleges, and it could thereby lead to differences in the quality of educational opportunities open to Canadians, depending on what province or

## [Translation]

sitaires et professionnelles qui représentent les universités. Je pense que ce débat est maintenant terminé et qu'il s'agit dès lors de trouver d'autres arrangements valables, ce qui ne semble pas plaire à tout le monde.

Je voudrais enfin parler un peu du FPE. J'ai eu des inquiétudes quand ce programme a été adopté. Je n'ai pas tellement réussi à soulever l'intérêt de mes collègues pour cette question et les universités, pour leur part, on carrément manqué le coche. Au moment où les négociations battaient leur plein et où la question était débattue au Parlement, ils n'ont pas témoigné en grand nombre, je dois le dire. J'ai craint que les députés comme vous-mêmes ne perdent de l'intérêt pour ces questions nationales des études supérieures ou des soins médicaux. Après tout on transférerait la somme globale dans le cadre d'un arrangement affreusement compliqué de transfert fiscal ou de subventions en argent comptant avec des moyennes de trois ans à l'égard de ces mouvements. Il n'y a même pas de tribune—de tribune parlementaire—où ces questions soient débattues à intervalles réguliers. A l'occasion, on fait parvenir des amendements à la loi sur les arrangements fiscaux fédéraux-provinciaux au comité des finances mais aucun comité permanent de la Chambre ne se penche régulièrement sur cette question des arrangements fiscaux.

J'ai craint tout simplement que cela cesse d'intéresser les députés même si le fédéral verse de fortes sommes à l'égard des universités et du système de santé. Je me suis donc dit qu'au gouvernement fédéral on manifesterait moins d'intérêt pour les études supérieures et qu'on se sentirait moins engagés à cet égard, comme en témoigne la petite taille de la direction de l'éducation du Secrétariat d'État. Il y a aussi le fait que M. Fox est à la fois secrétaire d'État et ministre des Communications. Cela montre bien, en tout cas c'est clair pour moi, que le gouvernement fédéral, s'il ne renonce pas à son rôle dans le domaine des études supérieures, ne s'intéresse quand même pas aussi directement à la question de l'instruction. C'est un aspect de la question.

En deuxième lieu, cette perte d'intérêt mener à une remise en question du rôle fédéral dans le financement des recherches qui se font dans les universités. Si les provinces commencent à dire qu'elles fournissent presque tous les fonds d'exploitation des universités elles commenceront à insister pour que la recherche universitaire concorde davantage avec les priorités provinciales plutôt que fédérales. Je sais qu'il existe un comité fédéral-provincial sur le financement des recherches universitaires et que le gouvernement fédéral y est représenté mais il est assez révélateur que M. Roberts dans ses derniers projets de hausse des dépenses de recherche et de développement au Canada insiste bien plus sur le secteur privé que sur le secteur universitaire pour assurer un nouvel essor à la recherche et au développement.

Voici, enfin, la question qui me préoccupe le plus en ce qui a trait au FPE. Ce programme pourrait accentuer les écarts entre les universités et les collèges d'enseignement professionnel au niveau du financement si bien qu'il pourrait y avoir de grandes différences au niveau de la qualité des études que



*[Texte]*

region they reside in. Even with the tax points which are transferred equalized to the national average, there is still a gap between that and the amount of money that would go back to the richer provinces. You will recall at the time of the 1977 negotiations Saskatchewan and I think perhaps a couple of the Atlantic provinces argued that the equalization of the tax points should be to the highest province, and the federal government argued that it could not afford that, financially, with its own budgetary situation. So I think there is a danger that the gaps that exist already in per capita spending on universities and community colleges will in fact increase under EPF just because of the way the formula operates. I could get into that in more detail.

Just as a short digression, that raises the interesting question, which is also within your mandate, of how you approach the equalization question within this country. That is a question loaded with all sorts of technical difficulties. I think it is a field in which the economists have tended to monopolize the debate, and it is debated in very, very esoteric language, very, very complicated formulas. Any of you who have tried to wrestle with the prosperity—the Clause 29 income-tax source thing—it is very complicated.

Beneath all that technical verbiage is a fundamental philosophical issue of exactly what we understand by the concept of equalization. Are we intending to equalize the relative fiscal capacities of different governments within this country—their relative ability to raise revenues? Are we intending to equalize fiscal need; to recognize the fiscal need of different provinces? Presumably provinces with a different age structure, a higher number of elderly, will have a greater need for certain kinds of geriatric services and so on, and you could have cost-sharing ratios which took recognition of greater financial need. The United States has such programs. The Australians have a very elaborate system of trying to measure fiscal need of different states within their jurisdiction. Or should the federal government establish direct relationships with Canadians equalized through some sort of guaranteed annual income or tax credit system. Now I say that only in passing, because I know it is a very, very complicated question and I cannot possibly do any justice to it here this evening.

• 1950

Let me just finish by giving you a kind of inventory of suggestions that might be considered by the committee and, hopefully, in that way make a constructive contribution to your deliberations. I think there is a national interest in higher education. It arises partly because the benefits of education go down to the country as a whole. There is a real danger that provinces like my own province could starve higher education because they would simply see all the benefits flowing out of this province; that it would be cheaper not to fund universities and community colleges because all the skilled people who leave them go off to Alberta to take jobs, such as lawyers, resource specialists, and so on. So there may be a temptation on the part of a government in a province like Manitoba not to invest fully in education. So I think there are spill-over benefits

*[Traduction]*

peuvent faire les Canadiens selon la province ou la région où ils habitent. Même si les points fiscaux transférés sont égalisés en fonction de la moyenne nationale, il existe encore un écart entre cette somme et celle qui irait aux provinces riches. Vous vous souviendrez qu'au moment des négociations de 1977, la Saskatchewan et je crois deux provinces de l'Atlantique avait dit que la péréquation des points fiscaux devrait toucher la province la plus riche et le gouvernement fédéral avait dit qu'il ne pouvait pas se le permettre financièrement, étant donné sa situation budgétaire. Il y a donc un danger que s'accroissent les écarts déjà existants pour ce qui est des dépenses à l'égard des universités et collèges à cause de la façon dont la formule fonctionne dans le cadre du FPE. Je pourrais en parler plus longuement.

Je voudrais faire une parenthèse au sujet d'une question intéressante qui fait également partie de votre mandat. Il s'agit de la façon dont vous abordez la question de la péréquation au pays. Cette question comporte bien des difficultés techniques. Les économistes ont eu tendance à prendre le monopole du débat. On s'exprime en termes très obscurs avec des formules fort compliquées. Ceux d'entre vous qui ont essayé de déchiffrer l'article 29 sur la prospérité de la loi sur l'impôt ont sans doute trouvé cela peu accessible.

Sous le verbiage technique se dissimule le concept fondamental de ce que nous entendons par la péréquation. Comptons-nous égaliser les aptitudes fiscales relatives des divers gouvernements au pays, leur aptitude relative à obtenir un revenu? Avons-nous l'intention d'égaliser le besoin en matière de finances; de reconnaître les besoins des diverses provinces. Par exemple, les provinces qui comptent un plus grand nombre de vieillards auront un plus grand besoin de services gériatriques. Il pourrait exister des coefficients de partage de frais tenant compte d'un besoin plus grand. Les États-Unis ont de tels programmes. Les Australiens utilisent un système très compliqué pour tenter de mesurer les besoins financiers des divers états dans leur pays. Le gouvernement fédéral devrait-il établir avec les Canadiens des rapports égalisés par le biais d'un revenu annuel garanti ou d'un système de crédits fiscaux? Je ne dis cela qu'en passant car je sais que c'est une question très compliquée et je ne peux lui rendre justice ici ce soir.

Je termine donc en présentant un éventail de suggestions qui pourraient faire l'objet d'une étude par le comité. J'espère qu'elles représenteront une contribution constructive à vos délibérations. Il existe à mon avis un intérêt national pour les études supérieures, parce que les bienfaits de l'instruction profitent au pays tout entier. Le danger suivant est très réel: les provinces, comme la mienne, pourraient cesser de financer les études supérieures parce qu'elles voient tous les avantages leur échapper; il serait moins coûteux de ne pas financer les universités et les collèges parce que les personnes spécialisées, après l'obtention du diplôme, vont en Alberta travailler comme avocats ou spécialistes des ressources. Le gouvernement d'une province comme le Manitoba pourrait donc être tenté de ne pas investir dans le domaine de l'éducation. J'estime que le



*[Text]*

from education that should be recognized through the national government.

Second, I think the national government has an interest in education related to its role as a principal manager of the economy, and its role of providing skills-trained manpower. We have shortages of certain types of engineers in this country; of certain types of scientists; of business administration graduates. That has to do with the whole federal discussion of a national industrial strategy. Surely there is a need for agreement with the provinces to develop such an approach to managing or directing the economy. But there is a national interest in the way in which universities are funded and the kinds of decisions made inside universities.

I think there is a further aspect to the national interest and that has to do with fostering a sense of Canadian identity and of national unity. The country is vast and regionally divided, and I think Canadian studies need federal funding to make them viable in this context, especially when provincial governments have been reducing their contributions to university financing.

There are two other aspects I can think of which warrant federal involvement. Recently Mr. Alan Gotlieb, the Under-Secretary of State for External Affairs, appeared in my class, and he talked about the international dimensions of higher education, and the fact that for instance the Mexicans want to send more of their students to particular graduate schools in Canada. It is very, very, hard to co-ordinate that kind of an exercise through the provincial departments of education, through university grant commissions and university administrations. So there are bilateral and international aspects to education that I think the federal government has an interest in and could serve in the role of a co-ordinating force.

Finally, there is the whole question of the mobility of Canadians. I think under EPF it is possible for provinces to erect interprovincial barriers to access to higher education, and not violate any federal laws and not be called to account by the federal government. It is already the case for certain grants and bursaries in provinces that you have to be an Ontario resident, say, in order to qualify. So you could have higher out-of-province tuition fees, for example, but I wonder whether that is suitable in a country like Canada. Well, those are some of the reasons why I would support a continued national role in education, and would urge Ottawa not to abandon this field.

Now let me go just quickly over a number of suggestions that have been made. There is a short term problem of a financial crisis at the federal level. There is a preoccupation with reducing the federal deficit which I appreciate, both for political reasons or perhaps for economic reasons, depending on what kind of an economist you are, I guess. So that one of the initial steps would be options to reduce the burden on the federal budget. Here there is a variety of options that the federal government could look at. It could simply reduce the rate of growth for post-secondary education itself, and leave the health contribution untouched. The post-secondary educa-

*[Translation]*

gouvernement national devrait reconnaître les bienfaits indirects que représentent les études.

En deuxième lieu, je pense que le gouvernement national a un intérêt pour l'éducation lié à son rôle de principal administrateur de l'économie, parce que c'est à lui qu'il appartient de prévoir une main-d'œuvre spécialisée. Nous avons des pénuries au pays, nous manquons de certains ingénieurs, d'hommes de science, de diplômés en gestion. Ce problème touche le débat fédéral sur la stratégie industrielle nationale. Il faudrait élaborer avec les provinces une méthode de gestion de l'économie. Il existe cependant un intérêt national pour le financement des universités et pour les décisions prises dans les universités.

L'intérêt national comporte un autre aspect. Il faut favoriser le sens de l'identité canadienne et de l'unité nationale. Le pays est vaste et divisé en régions. Il faudrait financer les études canadiennes sur le plan fédéral et les rendre viables dans ce contexte étant donné que les gouvernements provinciaux ont réduit leur contribution au financement des universités.

La participation fédérale serait la bienvenue dans deux autres domaines. Récemment, M. Alan Gotlieb, sous-secrétaire d'État aux Affaires extérieures a prononcé une allocution devant mes étudiants sur les dimensions internationales des études supérieures et sur le fait que les Mexicains par exemple voulaient envoyer un plus grand nombre des leurs faire des études supérieures dans certaines écoles du Canada. Il est très difficile de coordonner ce genre de projet par l'entremise des ministères provinciaux d'éducation de commissions universitaires et d'administrations universitaires. Certains aspects bilatéraux et internationaux de l'éducation sont, je crois, avantageux pour le gouvernement fédéral et il pourrait jouer le rôle de coordonnateur dans certains cas.

Je voudrais parler enfin de la mobilité des canadiens. Je pense que dans le cadre du FPE les provinces peuvent ériger des barrières interprovinciales interdisant l'accès aux études supérieures sans contrevenir aux lois fédérales et sans devoir rendre de comptes au gouvernement fédéral. C'est déjà le cas de certaines subventions et de certaines bourses dans des provinces. Il faut, par exemple, être résident de l'Ontario pour y avoir droit. Les frais de scolarité pourraient donc être plus élevés pour les habitants d'une autre province et je me demande si cela se justifie dans un pays comme le Canada. Pour toutes ces raisons, je serais favorable au maintien du rôle national dans le domaine de l'instruction et j'exhorte Ottawa à y rester.

Si vous me le permettez, je vais reprendre un certain nombre des suggestions qui ont été faites. Il y a le problème à court terme de la crise financière au niveau fédéral. On veut réduire le déficit fédéral je le comprends, pour des raisons politiques ou économiques. Je suppose que cela dépend de l'économiste qui fait l'étude. L'une des mesures initiales consisterait à réduire le fardeau imposé au budget fédéral. Le gouvernement fédéral pourrait examiner tout un éventail de possibilités. Il pourrait tout simplement réduire le taux de croissance de l'instruction postsecondaire et ne pas toucher à la contribution faite à l'égard de la santé. L'instruction postsecondaire repré-

## [Texte]

tion component accounts for about one third of the transfer, and the federal government could simply say they expect the provinces to take up the slack.

Another approach which the federal government proposed in 1978 was to reduce to 2 percentage points below the nominal growth in GNP the escalation in the cash contribution, and that would slow down the rate of federal contribution. The provinces adamantly oppose that when it was proposed by Mr. Chrétien in 1978, and said that the EPF arrangements should remain untouched for the duration of the agreement. Now might be a chance to reintroduce that proposal. A further step might be to place a ceiling on the federal government's contributions to the Canada Assistance Plan. I would not recommend it, but it is an option certainly that is open to the federal government.

## • 1955

There are various other forms of federal support for higher education, or even for lower level education. One that I am familiar with as a parent is second language education. I gather that, within the social affairs envelope, the spending on minority language education is one of the items that is targeted for reduction. Mr. Yalden, the Official Languages Commissioner as you are all aware, has been making speeches; he has been in Winnipeg urging us to protest cut-backs in the bilingualism program, because it will slow the growth of French immersion, which is very, very popular in the City of Winnipeg nowadays. So, those are some short term options; one set of options.

One other proposal that I want to comment on is a proposal made by the Canadian Association of University Teachers. They suggest a royal commission. I want to dash cold water on that suggestion, even as a stop a gap measure. I have very little confidence in royal commissions. It seems to me, often they are "make work" projects and very expensive. I do not mean to flatter you gratuitously, but I have more confidence in a parliamentary committee which will be around to defend and lobby for their recommendations after the royal commission has gone home.

**The Chairman:** Or be defeated. That is the penalty.

**Mr. Thomas:** But I think the university organizations that argue for a royal commission are harkening back to the experience of the Massey Commission in the nineteen fifties and the Bladen Commission in the nineteen sixties where, following a national tour by a royal commission, there was a sharp increase in the federal funding to universities. I think the fiscal context is entirely different. I mean, the overriding concern is with reducing the deficit. So I do not see any hope that after a tour of this sort, there would be enough popular and political support for the federal government to inject a whole new batch of money into university financing. So I am not very sanguine about the idea of a royal commission at this point.

## [Traduction]

sente environ un tiers du transfert et le gouvernement fédéral pourrait se contenter de dire qu'ils s'attendent à ce que les provinces comble le déficit.

Le gouvernement fédéral avait aussi proposé en 1978 de faire baisser jusqu'à 2 point de pourcentage au dessous de la croissance nominale du PNB la majoration de la contribution accordée sous forme d'argent comptant. On estimait que cela ralentirait le taux de la contribution fédérale. Les provinces s'y sont fermement opposées quand M. Chrétien l'a proposé en 1978 et elles ont dit que les arrangements du FPE devraient rester intacts pour la durée de l'entente. Il est peut-être temps maintenant de présenter de nouveau cette proposition. On pourrait également plafonner les contributions du gouvernement fédéral au Régime d'assistance publique du Canada. Je ne le recommande pas mais c'est une possibilité que le gouvernement fédéral peut envisager.

Il existe d'autres formes d'appui fédéral aux études supérieures ou même aux études d'un niveau inférieur. En tant que parent je connais bien la question de l'enseignement de la langue seconde. On dit que des baisses sont prévues à l'égard des dépenses appliquées à l'enseignement des langues minoritaires dans le secteur des affaires sociales. M. Yalden, commissaire aux langues officielles, a, comme vous le savez, prononcé des discours à ce sujet. Il est venu à Winnipeg et nous a exhortés à protester contre les coupures dans le programme de bilinguisme parce que le programme d'immersion en français va sûrement en souffrir et il est actuellement très populaire à Winnipeg. Voilà donc des possibilités à court terme, une série de choix possibles.

Je voulais vous parler aussi d'une proposition faite par l'Association canadienne des professeurs d'université. Ils proposent une commission royale d'enquête. Je ne suis pas du tout d'accord, même pour un cas d'urgence. Ces commissions m'inspirent peu confiance. Elles fabriquent artificiellement du travail et coûtent très cher. Je ne veux pas vous flatter mais je préfère les comités parlementaires qui ont un caractère permanent et qui continuent de défendre leurs recommandations ce qui n'est pas le cas des commissions royales d'enquête quand elles ont terminé leurs travaux.

**Le président:** Ou qu'elles ont été liquides. C'est leur punition.

**M. Thomas:** Les associations universitaires qui sont en faveur d'une commission pensent probablement aux cas de la Commission Massey au cours des années cinquante et de la Commission Bladen au cours des années soixante où, après une tournée nationale, le financement fédéral aux universités avait beaucoup augmenté. A mon avis le contexte financier est maintenant bien différent. On veut d'abord réduire le déficit. Je ne vois pas qu'après une tournée nationale, l'appui populaire et politique à l'égard du gouvernement fédéral serait suffisant pour consacrer une nouvelle somme au financement des universités. L'idée de la commission royale d'enquête ne m'attire donc pas tellement pour l'instant.



*[Text]*

Another suggestion which has been made is that there be created a kind of joint federal-provincial body to disperse both the federal and the provincial contributions to universities and community colleges. It would be a kind of intermediary body. I have never seen this developed at any length. It might be modelled after the Council of Resources Ministers, which is a separately incorporated body. It has a certain semi-autonomous status; it is not under the direct supervision of a minister. Universities would like that in the sense that they would be free from the danger of political control.

Peter Leslie, who has done the study for the AUCC, recommends something like that. He proposes a Canadian educational and scientific development fund, and recommends that it be administered by some joint body consisting of university, provincial government, and federal government representatives. Frankly, in the present mood of concern about accountability within government, I do not think politically that it would be acceptable to transfer money into such a body and simply allow them to disperse the funds however they see fit. We are getting pressure even in this province, where the provincial government wants to have far greater control over the way universities manage the funds that are given to them. They are leaning more and more on the Universities Grants Commission, which is supposed to be a buffer between the government and the university. So, I see that there is a role for the federal government to play. In fact, I would urge them to play a greater role in funding university research, and there may be a possibility for a federal-provincial body to co-ordinate that kind of direction of federal funding into universities.

Another possibility is that I think the federal government could do more by way of supporting universities indirectly through aid to students. There are a number of possibilities. We have a student loan program, you are all aware of. Federal government bursaries could be paid. Another possibility might be some form of income tax incentive. We have tax expenditures of a wide variety under the federal Income Tax Act. You may allow for a greater deduction of tuition fees, research expenses, living expenses of students in some way, under the Income Tax Act. There are real dangers with that, of course. Under the new expenditure management system that the Liberals have adopted, that money would be deducted, presumably, from the social affairs envelope under the federal budgetary process. So if you take the money out of tax expenditures, it would not be a net gain or anything; you would just be delivering it in a different way. It may have less political visibility and, in that sense, be easier to swallow politically. It would not come up for questioning annually as an item in the blue book. But there again you run into the accountability argument.

• 2000

One final point is: Can you return to shared costs under the old basis? I do not think you can go back and, yet, that I think would be my preference. I think adoption of EPF was throwing the baby out with the bath water, to use a real colloquialism. Yes, there were problems associated with shared-cost arrange-

*[Translation]*

On a aussi proposé la création d'un organisme fédéral-provincial afin de répartir les contributions tant fédérales que provinciales entre les universités et les collèges communautaires. Ce serait un organisme intermédiaire. Je n'ai jamais vu d'organisme de ce genre. Il pourrait être calqué sur le Conseil des ministres des Ressources, organisme constitué séparément en corporation. Il a un statut mi-autonome et ne relève pas directement d'un ministre. Cela plairait aux universités parce qu'elles seraient alors préservées de la possibilité du contrôle politique.

Peter Lesley, qui a fait l'étude pour le compte de l'AUCC recommande quelque chose du genre. Il propose une caisse canadienne de perfectionnement de l'instruction et des sciences et recommande qu'elle soit administrée par un organisme conjoint regroupant des représentants des universités et des gouvernements fédéral et provinciaux. J'avoue que vu les préoccupations à l'égard des responsabilités au gouvernement, il ne serait probablement pas acceptable de transférer de l'argent à un tel organisme et de l'autoriser à répartir les fonds comme il le juge bon. Même ici, on exerce des pressions sur nous. Le gouvernement provincial veut un contrôle beaucoup plus grand sur la façon dont les universités administrent les fonds qui leur sont accordés. Il s'en remet de plus en plus à la commission des subventions aux universités qui doit servir de tampon entre le gouvernement et l'université. J'estime donc que le gouvernement fédéral a un rôle à jouer. En fait, je les exhorterais à financer davantage la recherche universitaire et un organisme fédéral-provincial pourrait peut-être coordonner ce genre d'acheminement des fonds fédéraux vers les universités.

Le gouvernement fédéral pourrait aussi appuyer davantage les universités d'une façon indirecte en offrant de l'aide aux étudiants. Les possibilités sont nombreuses. Vous connaissez tous le système de prêts aux étudiants. Le gouvernement fédéral pourrait offrir des bourses. Il pourrait aussi y avoir un genre de stimulant fiscal. Les dépenses fiscales sont très variées dans la loi de l'impôt sur le revenu. On pourrait adopter une déduction plus forte à l'égard des frais de scolarité, des dépenses pour la recherche, des dépenses des étudiants, tout cela dans le cadre de cette loi. Naturellement, cela comporte des dangers réels. Dans le cadre du nouveau système de gestion des dépenses adopté par les libéraux cet argent serait probablement déduit du secteur des affaires sociales conformément au processus budgétaire fédéral. Si la somme est tirée des dépenses fiscale, il n'y aurait pas de gain net, elle serait simplement attribuée autrement. La visibilité politique étant moindre, ce serait peut-être plus acceptable politiquement. Cela ne ferait pas l'objet d'un examen annuel dans le Livre bleu. Ici encore, on se bute à l'argument sur la responsabilité.

En dernier lieu: Peut-on retourner au partage des frais comme il existait autrefois? Je ne crois pas que ce serait possible et pourtant c'est ce que je préférerais. A mon avis, l'adoption du FPE nous a fait jeter le poisson avec la sauce pour reprendre une expression populaire. Il est vrai que les



*[Texte]*

ments in the past. They led to an over-building of certain programs, because there was no incentive within provincial governments to be costs conscious. There were certain rigidities and bureaucratic red tape associated with the operation of those programs. But it seems to me that those were administrative and practical problems that were not faced squarely and were not dealt with. Instead you simply dismissed them. That was partly because Quebec was driving to have greater autonomy, and the other wealthier, more affluent, provinces also sought a similar degree of autonomy from federal interference. I think the Government of Saskatchewan and Allan Blakeney were right in saying that the shared-cost mechanism has been a vehicle for significant social and economic progress in this country, particularly for the have-not provinces. And that really returns me I guess to where I began, to saying that one of the really omirous implications of EPF for me is that the have-not provinces will suffer under any restraint measure that is brought in by the federal government to solve its budgetary problems.

• 2005

I will stop at that point and I would be pleased to respond to questions, because I have gone rather quickly and gone over a fair bit of ground. Thank you very much.

**The Chairman:** Thank you very much, Mr. Thomas. It is obvious that you have spent some time thinking about this and we appreciate your input very much. Mr. Thacker has some questions, I believe.

**Mr. Thacker:** Thank you, Mr. Chairman.

Being associated with the university, Professor Thomas, how much do you think could be saved by internal administrative changes in the university system, given the fact that about 80 per cent of their budget goes into professors' salaries?

**Mr. Thomas:** Well, it really varies across faculties—the problems, and I am sure you are hearing from people from the medical schools. I am in the Faculty of Arts. It is one of the besieged faculties within the university and reallocation of funds is taking place. We have the system in our university where you take 5 per cent off last year's budget and then you get progressive add-backs as you go through the budgetary process, working up to the announcement of the size of the provincial grant. The Faculty of Arts has never got back in the last three or four years to 100 per cent. So, there has been a reduction. That system works—I guess it is a form of zero-based budgeting in a way but not back to zero. That system works to some extent but you have tenure faculty, you have salaries and you have a sports staff—practically the whole university is unionized. You have threats of strikes. It is a very, very difficult situation.

Tuition fees have been a declining proportion of university revenues until recently. Now we are starting to move back to

*[Traduction]*

arrangements de frais partagés ont causé des problèmes dans le passé. Il ont donné lieu à l'expansion excessive de certains programmes parce que rien n'encourageait les gouvernements provinciaux à surveiller leurs dépenses. L'application de ces programmes était rigide et compliquée sur le plan bureaucratique. J'ai cependant l'impression qu'on ne s'est pas efforcés de vraiment résoudre ces problèmes. On les a plutôt balayés du revers de la main. C'était en partie parce que le Québec essayait d'acquérir plus d'autonomie et que les autres provinces riches essayaient elles aussi de se soustraire à l'intervention du gouvernement fédéral. Le gouvernement de la Saskatchewan et Allan Blakeney avaient raison de dire que le mécanisme de partage des frais a joué un rôle très important dans le progrès social et économique du pays, surtout dans le cas des provinces pauvres. Je reviens donc à mon point de départ. Malheureusement, le FPE porte préjudice aux provinces pauvres qui souffrent inévitablement des restrictions qu'impose le gouvernement fédéral pour résoudre ses problèmes budgétaires.

Je m'arrête sur ce point et je serais ravi de répondre aux questions; en effet, j'ai parcouru pas mal de terrain plutôt rapidement. Je vous remercie.

**Le président:** Merci beaucoup, Monsieur Thomas. Il est évident que vous avez beaucoup réfléchi à la question et nous vous remercions des renseignements que vous nous avez fournis. Monsieur Thacker, je crois, voudrait poser des questions.

**M. Thacker:** Merci, monsieur le président.

Étant donné votre association avec l'université, Professeur Thomas, et compte tenu du fait que près de 80 p. 100 du budget des universités est absorbé par le salaire des professeurs, combien d'argent pourrait-on économiser d'après vous, en apportant des changements administratifs au système universitaire?

**M. Thomas:** En vérité, cela varie selon les facultés et je suis certain que vous entendez les gens des écoles de médecine réclamer. Je suis, moi, de la Faculté des Arts. C'est une de celles, au sein de l'université, qui est prise d'assaut et on y effectue en ce moment une réallocation de fonds. Dans notre université, le système est le suivant: on nous enlève 5 p. 100 du budget de l'année précédente et, au fur et à mesure du processus budgétaire, on reçoit des sommes supplémentaires progressives, alors qu'on se prépare à l'annonce du montant de l'octroi provincial. La Faculté des Arts n'est jamais rentrée à 100 p. 100 dans son argent au cours des trois ou quatre dernières années. Il y a donc eu une réduction. Ce système fonctionne. Je suppose que d'une certaine manière, il s'agit en quelque sorte d'un établissement de budget après réévaluation des objectifs, mais d'un établissement qui n'est que partiel. Ce système fonctionne dans une certaine mesure mais l'on doit tenir compte des postes permanents, des salaires et du personnel affecté aux sports; presque toute l'université est syndiquée. Des grèves peuvent être déclenchées à tout moment. C'est une situation extrêmement difficile.

Dernièrement, les frais de scolarité représentaient une proportion de moins en moins importante des recettes de l'univer-

*[Text]*

increased tuition fees and they are increasing as a percentage of the university budget. But, there again, the earlier concern by governments with accessibility to university education for lower-income and medium-income students, led them to discourage it. In fact, we were instructed that when we got a dollar increase one year from the New Democratic administration not to increase tuition fees. That for every dollar of increased tuition fees would take it off our operating grants. So the tuition fees slipped in terms of contribution.

You asked me if there were any room left to make cuts within the university—well, I suppose there is. They are large organizations and I am sure there are savings that could be effected just as there are within any large organization. Inflation though hit some aspects of the university far more than others.

I think the other thing is that universities are recognizing that they cannot be dependent on one source and they are being far more aggressive in identifying alternative funding sources.

Here is an idea. I have not really thought this one out. What about the idea that you were interested in controlling the growth of the federal public service? You are also interested in decentralizing delivery of the federal public service. What about part-time university, part-time federal public service appointments? You know where a person would spend part of his time, say, working in a research institute. Through the federal government the Faculty of Arts is now undertaking an Institute for Social and Economic Research funded from the Department of National Health and Welfare. Could we not have the part-time services of a Department of National Health and Welfare official in Winnipeg to lecture on some topic he was familiar with to bring the practitioner's perspective into the university environment where it is needed? At the same time the remainder of his salary could be paid by National Health and Welfare. I know there are budgetary rigidities, pension arrangements, union arrangements—all sorts of administrative arrangements against it. But I do not think they are insurmountable. So we are embarked on a form of aggressive campaign to find funding—corporate donors, but I do not think there is any immediate salvation for universities and certainly not looking to the federal government. I do not think that is our immediate salvation because the federal government . . . I guess the other thing I would say is that the federal government will presumably want to show value for the money they put into universities if it is in research or what have you.

**Mr. Thacker:** If I might just interrupt. There is a school of thought that there is still a lot of fat in the university community in spite of the fact that prior to EPF there was a cap with

*[Translation]*

sité. Nous commençons maintenant à faire payer de nouveau des frais de scolarité plus élevés, proportionnels au budget universitaire. Mais, là encore, soucieux qu'ils sont de permettre aux étudiants pauvres et des classes moyennes de faire des études universitaires, les gouvernements ont eu tendance à dissuader les universités de le faire. De fait, nous avons reçu l'instruction de ne pas augmenter les frais de scolarité une certaine année où le Nouveau Parti Démocratique qui était au pouvoir nous avait accordé une augmentation de crédits. On nous a averti qu'on nous retirerait de nos crédits du budget de fonctionnement chaque dollar supplémentaire versé à titre des frais de scolarité. Les frais de scolarité servent donc à financer une partie moins importante des dépenses.

Vous m'avez demandé s'il était encore possible de comprimer les dépenses à l'université . . . je suppose que oui. Les universités sont de grands organismes et je suis certain que, comme dans toute grande institution, il est possible de faire des économies. L'inflation, cependant, frappe certains aspects de l'université plus que d'autres.

Par ailleurs, comme elles se rendent compte qu'elles ne peuvent pas dépendre d'une seule source de revenu, les universités se sont mises à chercher activement des fonds de remplacement.

Voici une idée, que je n'ai pas vraiment élaborée à fond dans mon esprit. Vous cherchez bien à limiter le développement de la Fonction publique fédérale? Vous souhaitez également décentraliser la prestation de ses services? Que diriez-vous de postes universitaires à temps partiel qui seraient combinés à un poste de fonctionnaire de même nature? Une personne pourrait, par exemple, travailler une partie du temps, disons, dans un institut de recherches. Grâce au gouvernement fédéral, la Faculté des Arts est en train de mettre sur pied un institut de recherches économiques et sociales, subventionné par le ministère de la Santé nationale et du Bien-être social. Ne pourrions-nous pas profiter des services à temps partiel d'un fonctionnaire de ce ministère à Winnipeg, qui pourrait donner un cours sur un sujet qu'il connaît bien ce qui offrirait une perspective pratique fort utile dans le contexte universitaire? Le solde de son salaire lui serait versé par le ministère de la Santé nationale et du Bien-être social. Je sais que l'on se heurterait à un certain nombre de problèmes: la rigidité des budgets, la question des cotisations aux fonds de pension, les ententes syndicales et je sais aussi qu'il faudrait surmonter des obstacles administratifs de tout genre. Mais je ne crois pas qu'ils soient insurmontables. Nous nous sommes donc lancés dans une campagne tous azimuts pour trouver des mécènes dans le privé, mais je ne vois pas de salut immédiat pour les universités, et certainement pas si l'on compte sur l'aide du gouvernement fédéral. Je ne crois pas que c'est là qu'on va trouver notre salut immédiat, car le gouvernement fédéral . . . L'autre chose que je voudrais dire, je crois, c'est que le gouvernement fédéral va vraisemblablement s'attendre à en avoir pour son argent s'il octroie des crédits aux universités, que ce soit dans le domaine de la recherche ou ailleurs.

**M. Thacker:** Permettez-moi de vous interrompre. Certaines personnes prétendent qu'il y a beaucoup de gaspillage au sein de la communauté universitaire malgré le fait qu'avant la



*[Texte]*

respect to post-secondary education imposed. So it was not straight cost-sharing. Since 1977, it has been increased only by the amount of the GNP. On the other side, people are coming to us and saying there is absolutely no fat in the university community. It has been cut back and we are really into red meat now. To which side do you agree?

• 2010

**Mr. Thomas:** I guess I agree more with the latter, that you are getting pretty close to cutting the bone now. I cannot generalize beyond the Faculty of Arts. You must have heard from people who run administrative studies faculties who argue that in fact there is a dearth of people in commerce and administrative studies; that Canada is short of managers, strong business managers. Their complaints, I think, have strong validity. In our university the money has not gone fast enough over to the Administrative Studies Faculty to meet their needs, so they cannot admit as many students as they would like. They are living in very, very cramped quarters. To give you a practical example, when I was department head in my department, we had a ceiling of 200 Xerox copies a month for each of my faculty colleagues—now you people have access to good duplicating facilities, and you know what—to Xerox articles from journals. Our university library is ranked twenty-sixth in this country among university libraries. It is in a dismal state in terms of its acquisitions—a new building or an addition to an old building. They asked me last year when I was department head to list 20 journals that I would like to see cut from the periodicals. “Do not order any more, and cut 20”. So I cut all the ones that I was not interested in; the same letter went to all my colleagues, and they cut all the ones that I was interested in, presumably. From that the university library administration prepared a hit list of the journals for which the subscriptions would be terminated. Last year, our travel budget per faculty member was \$200. It would get you to Portage la Prairie, an opulent week-end in Portage la Prairie.

I do not come here to shed tears. I think there was a need for restraint within university financing, but I think it has hit us. There used to be visiting scholar funds—those are all dried up.

**Mr. Thacker:** My last question to you then. In our briefing book, it points out that the participation rate at the university level in Manitoba, is 12.4 per cent compared to 11.5 per cent for Canada as a whole, whereas at the community college level, the participation rate is 3.8 per cent compared to 13.2 per cent for all Canada. Can you just inform the task force why you think that is?

**Mr. Thomas:** I am not sure I can answer in relation to community colleges. I gather at least in talking to people at

*[Traduction]*

création du Programme de financement des programmes établis, on imposait une limite aux dépenses de l'enseignement postsecondaire. Le financement ne se faisait donc pas par le biais d'ententes à frais partagés à proprement parler. Depuis 1977, les crédits n'ont augmenté qu'en fonction du P.N.B. D'un autre côté, certains affirment qu'il n'existe aucun gaspillage au sein de la communauté universitaire, que les dépenses ont été réduites et que nous sommes vraiment arrivés à une bonne gestion. Pour quel côté penchez-vous?

**M. Thomas:** Je crois plutôt partager l'opinion de ces derniers, car j'estime que les affaires sont gérées de manière assez rationnelle. Je ne peux pas généraliser cela à d'autres facultés qu'à celle des Arts. Vous avez certainement entendu les responsables des facultés d'administration dire que, actuellement, il n'y a pas assez d'étudiants en commerce et en administration. Notre pays manque de directeurs et d'hommes d'affaires compétents. Les responsables de ces facultés ont, je crois, raison de se plaindre. Comme on n'a pas pu, dans notre université, débloquer assez rapidement les fonds pour satisfaire aux besoins de la Faculté en administration, on n'a pu y admettre le nombre d'étudiants qu'on aurait voulu. Les locaux sont très exigus. Pour vous donner un exemple pratique, quand j'étais chef du département, mes collègues n'avaient pas le droit de faire plus de 200 photocopies par mois. Vous autres, vous êtes bien équipés pour la reproduction de documents et vous savez ce qu'il en est... pour photocopier des articles de journaux par exemple. La bibliothèque de notre université se classe vingt-sixième dans notre pays. En ce qui concerne les achats de nouveaux livres, c'est un désastre. Nous avons besoin soit de construire un nouvel édifice soit d'agrandir les bâtiments actuels. L'an passé, quand j'étais chef du département, on m'a demandé de faire la liste des 20 revues dont nous pourrions nous passer. «N'en commandez pas de nouvelles et supprimez-en 20», m'a-t-on dit. J'ai donc retranché toutes celles qui m'intéressaient le moins; mes collègues ont tous reçu la même lettre, et ont, pour leur part, rayé toutes les revues qui m'intéressaient. C'est, semble-t-il, à partir de cela que l'administration de la bibliothèque universitaire a réalisé une liste noire de toutes les revues auxquelles on ne serait plus abonné. L'an passé notre budget de voyage par professeur était de \$200, ce qui suffisait pour aller passer une fin de semaine dans l'opulence à Portage la Prairie.

Je ne viens pas ici pour me lamenter. Je crois qu'il s'imposait de pratiquer une certaine politique d'austérité à l'université, mais on ne nous a pas ménagés. Par le passé, nous disposions de fonds pour recevoir des conférenciers; désormais, nous n'en avons plus.

**M. Thacker:** Voici ma dernière question. Notre mémoire indique que le taux d'inscription à l'université au Manitoba est de 12.4 p. 100 contre 11.5 p. 100 dans le reste du Canada, alors qu'au niveau du collège communautaire, le taux est de 3.8 p. 100 contre 13.2 p. 100 dans le reste du pays. Pourriez-vous nous dire ce qui, selon vous, est à l'origine de cette situation?

**M. Thomas:** Je ne suis pas certain de pouvoir vous fournir de réponse sur les collèges communautaires. J'ai cru compren-



*[Text]*

Red River Community College, and here I have to do further research, that they have not been as aggressive in identifying potential sponsors of programs in the interest of corporate employers—their needs in other words; secondly, in the way they are funded their programs are heavily dependent on the federal manpower grants. If they cannot put on the programs, the courses that are needed by the federal Department of Manpower and Immigration, they are not going to get that federal money; but, I have to look into that further to give you an adequate answer. In terms of the participation rate in universities in Manitoba, we have had some healthy competition, I think, between the three universities in the province to get more student enrolment. I think, to flatter the University of Winnipeg, they were ahead of us in innovating Outreach Programs. University at Noon, University in the Afternoon, and so on. I think if you look at a participation rate, a large component of that at the university level is part-time enrolment. That is where the increase has been taking place, in part-time enrolment, and that will be a continuing pattern. There again, universities need to adapt to that change. My colleagues, and I do not mean to belittle them, still think they are in the youth business. The nation is getting older, and people are coming back for continuing education. The courses have to be offered off-hours; they have to be offered at different locations rather than out of the University of Manitoba campus in Fort Garry. It is hard to get people to move, to agree to teach a course in Gimli, Manitoba, or some place like that, one evening a week, where there is a New Horizon's club that wants a course in Canadian politics or something like that.

**The Chairman:** Mr. Loiselle.

**M. Loiselle:** Merci, monsieur le président. Je vais continuer en français si vous voulez bien, professeur Thomas.

Écoutez, j'ai été impressionné par la série d'arguments que vous avez donnés en faveur de la participation du gouvernement fédéral au niveau de l'enseignement postsecondaire. Par contre, vous qui avez été à la table des négociations ou du moins intimement lié aux négociations lors des discussions de 1977, comment le gouvernement fédéral devrait définir son rôle dans le domaine de l'enseignement universitaire, alors que le gouvernement fédéral n'est même pas invité comme observateur par le Conseil des ministres de l'éducation du pays? On lui refuse même une participation comme observateur.

• 2015

Si j'ai bien entendu vos propos, vous suggérez une espèce d'organisme de concertation ou de coordination dans le domaine de la recherche. Vous semblez mettre bien des tables de consultation et de coordination, mais qu'est-ce que MacEachen ou Trudeau peut dire? Aussi, vous semblez dire que l'acceptation par le gouvernement fédéral du principe de l'autonomie des provinces avait pour but de plaire au Québec. Savez-vous, j'ai été en Ontario il n'y a pas très longtemps et il

*[Translation]*

dre, en parlant avec les gens du collège communautaire de Red River, et à ce sujet il conviendrait que je fasse des recherches plus poussées, que les responsables n'ont pas été suffisamment actifs pour trouver des commanditaires dans le secteur privé pour leurs programmes d'études ou, si vous le voulez, pour organiser des programmes qui répondent aux besoins des entreprises. Deuxièmement, par rapport au financement, ces programmes sont étroitement tributaires des subventions à la main-d'œuvre du gouvernement fédéral. Si les collèges n'offrent pas les cours requis par le ministère de l'Emploi et Immigration, ils ne reçoivent pas de subventions; toutefois, pour vous donner une réponse adéquate, il faudrait que j'étudie la question de plus près. Pour ce qui est des inscriptions dans les universités du Manitoba, les trois universités de la province se livrent à cet égard, me semble-t-il, une saine concurrence. Je dois dire que l'Université de Winnipeg—et c'est tout à son honneur—nous a devancé en innovant avec des programmes Extension, tels que «l'Université à midi» et «l'Université l'après-midi» et ainsi de suite. Quand on étudie la composition des inscriptions, on s'aperçoit qu'une bonne partie des étudiants de niveau universitaire sont inscrits à temps partiel. Les inscriptions dans ce domaine ont augmenté et cette tendance va continuer. Là encore, les universités doivent s'adapter aux changements. Mes collègues, et je ne peux pas les critiquer, ont toujours l'impression d'avoir affaire à des jeunes. La population de notre pays vieillit, et les adultes s'inscrivent à l'université pour reprendre leurs études. Les cours doivent être donnés en dehors des heures de travail et à divers endroits plutôt que dans les locaux du campus de l'Université du Manitoba à Fort Garry. C'est difficile de convaincre les gens de se déplacer, de consentir à donner un cours un soir de la semaine à Gimli, au Manitoba ou dans une autre localité du genre, parce qu'un club «Nouveaux Horizons» désire offrir un cours sur la politique canadienne ou autre.

**Le président:** Monsieur Loiselle.

**Mr. Loiselle:** Thank you, Mr. Chairman. I will carry on in French, if you don't mind, Professor Thomas.

Listen, I was impressed by the series of arguments you brought forward in favour of federal government participation in education at the post-secondary level. On the other hand, can you tell us, you who negotiated or at least were closely involved in the negotiations in the course of the 1977 discussions, how the federal government should define its own role in the field of university education when it is not even invited as an observer by the Canadian Council of Education Ministers? It is not even allowed to participate as an observer.

If I have well understood what you said, you suggest a kind of consultation or coordination agency in the field of research. You seem to use a lot of consultation or coordination tables but what might MacEachen or Trudeau say? Also, you seem to say that the adoption of the provincial autonomy principle by the federal government was done for the purpose of pleasing Quebec. You know, I was in Ontario a short while ago and a fellow there such as Miller seemed to be saying: "Loiselle,

## [Texte]

y a un gars comme Miller qui semblait me dire: Loïselle, cela, ce sont des champs de juridiction provinciale. Regarde, je viens juste d'être réélu. Peut-être bien que tu devrais te mêler de tes oignons et me laisser les miens. Et je ne suis pas certain que, si je parlais à votre Premier ministre, je n'aurais pas la même réponse.

Alors, donnez-moi des arguments pour les convaincre!

**Mr. Thomas:** I have no easy solution to that question. I think, though, the federal government, if it is going to transfer dollars to the provinces for education or for health spending has a legitimate right to some assurance that the money will be spent in a manner that the federal government deems appropriate. I think it is inappropriate and wrong that the federal Secretary of State and Minister of Communications cannot attend. I understand he has observer status. I know they go into incamera sessions when the provinces meet and then they invite him into other open sessions, but I think it is wrong that the council of education ministers meets behind closed doors, often with the press not in attendance and often with the national minister not present. I think in the course of those negotiations you should insist that the federal government have a presence in such meetings. There are a whole series undoubtedly, beneath the ministerial level, of co-ordinating committees on which federal representation is found and that should not be sacrificed; that should be continued obviously. I do not know whether the idea of a joint body would be acceptable to the provinces, given their sensibilities about the provincial prerogatives in the educational field, but if you are transferring funds, surely you have a right to some guarantee that the funds will reach the targets that you have set for them. I do not think it is an unwarranted suggestion to make to a provincial minister of education, since there are national aspects to education, that the Secretary of State should be present at such discussions.

**M. Loïselle:** Oui, mais aussi, tout à l'heure vous sembliez dire qu'en 1977, lorsque l'on a accepté le *block funding*, on avait un peu cette approche machiavélique d'accepter ce principe avec l'idée que deux ou trois ans plus tard, on pourrait crucifier les princes parce qu'ils n'auraient pas été de bons princes. Est-ce que j'ai mal compris? On ne peut pas satisfaire la volonté des provinces d'être libres dans leurs champs de juridiction et, au même moment, mettre des conditions. Il faut décider. On devra passer à la table de négociation dans quelques mois et j'ai bien l'impression que l'on ne va pas changer l'esprit de tous les politiciens à travers le pays.

Alors, est-ce qu'il y aurait possibilité, en respectant les champs de juridiction de chacun, d'atteindre les objectifs nationaux que nous avons en tête?. Moi, je vois fort bien le gouvernement fédéral jouer un rôle dans le domaine de la recherche universitaire. Je vois fort bien le gouvernement fédéral jouer un rôle dans le domaine de l'enseignement universitaire, strictement pour s'assurer que l'on aura la main-d'œuvre qualifiée pour répondre aux besoins d'aujourd'hui. N'y aurait-il pas d'autres méthodes par lesquelles on pourrait arriver à rencontrer ces objectifs, tout en ménageant la susceptibilité des provinces qui, je le répète, de plus en plus, sont jalouses de leurs responsabilités. Là, je dis que ce n'est pas

## [Traduction]

this matter falls in the field of provincial jurisdiction. Look here, I have just now been re-elected. Perhaps you should mind your own business and leave me to mine." And I am not sure that, were I to be speaking with your Premier, I wouldn't get the same response.

So, give me arguments with which to convince them!

**M. Thomas:** Je ne peux pas vous donner une solution finale en guise de réponse. Il me semble cependant qu'il est légitime que, s'il accorde des crédits aux provinces pour l'enseignement ou la santé, le gouvernement fédéral exige que ces sommes soient dépensées d'une manière qu'il juge convenable. Je considère qu'il est mauvais et regrettable qu'on ne permette pas au Secrétaire d'État et ministre des Communications d'assister à une telle réunion. Je crois savoir qu'il a le statut d'observateur. Je sais que les provinces ont des réunions à huis-clos et qu'elles l'invitent à participer aux réunions ouvertes, mais il est mauvais, à mon avis, que le conseil des ministres de l'Éducation se réunisse à huis-clos, souvent sans la presse, en l'absence du ministre fédéral. Je crois que vous devriez insister pour que le gouvernement fédéral soit représenté au cours de ces négociations. Il existe sans doute toute une série de comités de coordination, en-dessous du palier ministériel, auxquels le gouvernement fédéral participe et cela devrait se continuer, évidemment. Je ne sais pas, vu l'importance que les provinces attachent à leurs prérogatives dans le domaine de l'enseignement, si elles seraient prêtes à accepter qu'on crée un organisme mixte, mais il me semble qu'il est légitime que celui qui octroie des fonds s'attende à ce que ces derniers permettent effectivement d'atteindre les objectifs qu'on leur a fixés. Étant donné les aspects nationaux de l'éducation, il serait bon, me semble-t-il, de suggérer à un ministre provincial de l'éducation, que le Secrétaire d'État assiste à de telles discussions.

**Mr. Loïselle:** Yes, but also, earlier, you seemed to be saying that in 1977, when we accepted block funding, we used somewhat this machiavelic approach of accepting the principle with the thought that in two or three years the princes could be crucified because they would not have been good princes. Have I well understood? We cannot satisfy the wish of the provinces to be free within their fields of jurisdiction and at the same time improve conditions. We must come to a decision. We have to get to the negotiating table within a few months and I have the strong impression that we won't be changing the mind of all the politicians throughout the country.

Would it be possible therefore, while respecting the jurisdictions of each, to reach the national objectives we have in mind? As for me, I would be well content to see the federal government play a role in the field of university research. I would be well content to see it play a role in the field of university teaching, strictly for the purpose of making sure that we shall have the necessary trained labour to meet the needs of today. Would there not be other methods by which one would manage to meet these objectives while sparing the susceptibility of the provinces which, I repeat, are more and more jealous of their responsibilities. And here, I point out



*[Text]*

seulement le Québec. Ce n'est pas parce que je viens du Québec. Je pense que j'entends le même son de cloche partout.

**Mr. Thomas:** I did not comment on your remark about—I was not trying, in fact, to pinpoint the blame on the Province of Quebec. I said that Quebec's insistence that it have the right to run these programs on their own whetted the appetite of other provinces, particularly the wealthier provinces. They are all, I think, equally autonomous minded now. I do not know whether you can in fact satisfy their drive to have greater autonomy. Even a province like Manitoba is insisting upon greater autonomy which by economic logic, is foolhardy because these shared-cost programs carried implicit equalization in the past. There was hidden equalization in them. It always seemed to me economic folly on the part of the Lyon administration to say that they wanted to scrap shared-cost programs. It just did not make sense. I was not trying to pinpoint the blame solely on the Province of Quebec, but it was an adaptation of Canadian federalism that originally occurred because of the insistence of Quebec, and then other provinces saw that there might be some advantages in this for them.

• 2020

To get to your other question, if provinces adopt an absolute concept of provincial autonomy over educational matters and adhere strongly to that position, then there is no hope that the federal government will have any influence or sway over the direction that education goes in this country obviously, and they would not accept the notion of a federal participation in the Council of Resource Ministers or Education Ministers and so on. But I do not think the provinces, if faced with the prospect of having to take up the financial slack of these transfer payments, will be as willing to drive as hard to protect provincial autonomy. Since, I think, there is a persuasive argument to be made for the federal dimension of higher education, I think you can make that case to them and, partly depending on the financial conditions, you can argue it successfully and win their acceptance of a federal role. I do not think you can go all the way back to the pre-1977 situation which, I guess, would probably be my personal preference. I just do not think, given the present mood of federal-provincial relations, the acrimony and the hostility, and given the greater drive by the provinces for more power within the constitution and in operational terms, that they would tolerate a return to the old situation. Yet I do not think the old situation was that bad, even though there were problems associated with the rigidities of the sort that I mentioned. I think you drive a hard bargain with them and they would expect that to take place.

**M. Loiselle:** Un dernier commentaire. Si l'on fait l'analyse dans chacune des provinces, exception faite du Québec, on se rend compte qu'il est vrai que dans les provinces les plus pauvres, les services pour lesquels on a adopté le block funding ont peut-être souffert depuis 1977. Par contre, les provinces riches ont les moyens, elles, de continuer à se payer ces services.

*[Translation]*

that this does not apply only to Quebec. It is not because I am from Quebec. I believe I hear the same chorus everywhere.

**M. Thomas:** Je n'ai fait aucun commentaire sur votre remarque au sujet de... En fait, je n'essayais pas de blâmer la province de Québec. Ce que j'ai dit c'est que pour pouvoir mener ses programmes à sa guise, le Québec a aiguisé l'appétit des autres provinces, surtout les plus riches. Toutes, je crois, rêvent d'autonomie maintenant. Je ne sais pas, de fait, s'il vous est possible de leur accorder le degré d'autonomie qu'elles souhaitent avoir. Même une province comme le Manitoba, souhaite avoir une plus grande autonomie, ce qui, selon la logique économique, est imprudent, car ces programmes à frais partagés comportaient implicitement, auparavant, le principe de péréquation. Il m'a toujours semblé que c'était de la folie économique de la part de l'administration Lyon de vouloir supprimer les programmes à frais partagés. Cela n'avait tout simplement aucun sens. Je ne tentais donc pas de blâmer uniquement la province de Québec, mais c'est grâce à ses pressions que s'est faite cette adaptation et ce n'est qu'après, que les autres provinces ont réalisé que cela pourrait aussi présenter des avantages pour elles.

Pour répondre à votre autre question, si les provinces veulent que les questions d'éducation relèvent exclusivement d'elles et si elles y tiennent fortement, il n'y a évidemment pas d'espoir, dans ce cas, que le gouvernement fédéral puisse exercer aucune influence sur la direction que notre pays va prendre dans ce domaine. Les provinces ne voudraient pas que le gouvernement fédéral participe au conseil des ministres des Ressources ou au conseil des ministres de l'Éducation, et ainsi de suite. Mais je ne pense pas que les provinces tiendraient autant à leur autonomie en la matière, s'il fallait qu'elles complètent elles-mêmes ces octrois fédéraux. Puisqu'on peut, je crois, facilement défendre le rôle du gouvernement fédéral dans le domaine de l'enseignement supérieur, j'estime qu'il vous serait possible d'établir avec les provinces le bien-fondé de votre cause, et, compte tenu des circonstances financières, de le faire avec succès et d'obtenir qu'elles acceptent de voir le gouvernement fédéral jouer ce rôle. Je ne crois pas que l'on puisse retourner à la situation d'avant 1977, ce que, personnellement je préférerais, je pense. Je ne crois pas que les provinces, étant donné le climat d'aigreur et d'hostilité qui caractérise actuellement les relations fédérales-provinciales et leur désir d'avoir davantage de pouvoirs en vertu de la constitution ainsi que sur un plan pratique, toléreraient un retour à l'ancienne situation. Je dois dire cependant que l'ancienne situation n'était pas si mal, à mon avis, en dépit des difficultés liées aux côtés rigides dont j'ai parlé tout à l'heure. Je crois que vous devez marchander agréablement avec elles et qu'elles s'y attendent.

**Mr. Loiselle:** A last comment. Were we to make an analysis in each of the provinces with the exception of Quebec, we would realize that it is a fact that in the poorer provinces, the services for which block funding was adopted have perhaps suffered the most since 1977. On the other hand, the rich provinces can afford, on their part, to carry on paying for these services and avail themselves of them.



## [Texte]

Toutefois, vous avez dit tout à l'heure qu'avec le concept actuel de péréquation et ces programmes à frais partagés ou block funding, l'écart entre les provinces riches et les provinces pauvres semble s'accroître à mesure que les années passent. Que penseriez-vous d'une formule où le gouvernement fédéral réduirait peut-être sa participation, qui se voudrait disons à 50-50, où il la réduirait pour toutes les provinces à 40 p. 100 peut-être et réallouerait les fonds ainsi épargnés aux provinces qui en ont le plus besoin et en attachant peut-être davantage de conditions à ce supplément? Qu'est-ce que vous penseriez d'une approche semblable? Supposons que, dans une province riche comme l'Alberta ou encore la Colombie-Britannique, le gouvernement fédéral diminue sa participation financière à l'enseignement postsecondaire de 50 à 40 p. 100, on sait que c'est au moins à 60 ou 65 p. 100 en réalité, et justifie son geste en disant qu'il va réinvestir cela dans les provinces les plus pauvres. Pensez-vous que l'enseignement postsecondaire en souffrirait de façon catastrophique dans ces provinces riches?

• 2025

**Mr. Thomas:** No, I do not think it would suffer, but once again you face the difficulty of getting the agreement of the wealthy provinces and I would think, particularly, Alberta and British Columbia, perhaps Ontario, not Saskatchewan I do not think, would object strongly. Saskatchewan has been one of the staunchest defenders of equalization the principle of equalization. One of the options that you might also consider, on that Mr. Blakeney was proposing at the time of the EPF negotiations, was that you return to shared-cost programs and that you reimburse the provinces on a per capita basis—at the national average per capita rate for post-secondary education, say. There would be some implicit equalization there, because with the higher-spending provinces incorporated into it, some of the money that went into the lower-spending provinces would include an equalization element from the richer provinces. This, it was argued, would prevent the wealthier provinces from over-building programs. They would not get reimbursed at their actual program costs; instead, they would be reimbursed at the national average program costs. At the time, B.C. and I believe Alberta were spending ahead of the other provinces on post-secondary education, in the 1975-76 base year on which EPF was calculated; they were putting in more money on a per capita basis than some of the other provinces. This would provide a disincentive for them to over-build in that way.

**Le président:** Merci, M. Loisel.

Mr. Blenkarn.

**Mr. Blenkarn:** I want to thank you, Professor Thomas, for a refreshing approach by somebody from a university. We usually have people from universities coming and saying, give us more, give us more, give us more, and telling us all the reasons why. I gather you may have some affinity for a suggestion made by a person I will not name. He suggested that universities were eighteenth-century organizations administered by a nineteenth-century system trying to do a twentieth-century education program.

## [Traduction]

You said earlier, however, that with the present concept of equalization and these cost-sharing programs or those with block funding, the discrepancy between the rich and poor provinces seems to get worse with the passing of years. What would you think of a formula by which the federal government would perhaps reduce its participation; let us say one that would normally be on the basis of 50-50, and it would reduce it for all provinces perhaps at 40 per cent and would then re-allocate the funds thus saved to the more needy provinces, perhaps adding more conditions to this extra grant. What would you think of such an approach? Let us suppose that for a rich province like Alberta, or like British Columbia, the federal government reduces its financial contribution to post-secondary education from 50 per cent to 40 per cent—we know that is actually at least 60 or 65 per cent, and then justifies this move by saying that it will re-invest the difference in poorer provinces. Do you feel that the post-secondary education in these rich provinces would suffer by it in a catastrophic way?

**M. Thomas:** Non, je ne crois pas qu'elle en souffrirait, mais là encore on se heurte à la difficulté d'obtenir l'accord des provinces riches et je crois que l'Alberta et la Colombie-Britannique, en particulier, peut-être l'Ontario, s'y opposeraient fortement mais, d'après moi, pas la Saskatchewan. La Saskatchewan a été l'un des plus ardents défenseurs de la péréquation et de son principe. Ce que vous pourriez peut-être envisager, chose que M. Blakeney a proposé lors de négociations sur le financement des programmes établis, ce serait de revenir à la formule des programmes à frais partagés et de rembourser les provinces selon leur population en calculant, disons, la moyenne nationale par habitant du coût de l'enseignement postsecondaire. Cette formule serait donc implicitement un mode de péréquation, car comme le calcul du remboursement englobe les dépenses des provinces qui dépensent plus, celles qui dépensent moins profitent de cet élément de péréquation. On a dit que cela empêcherait les provinces plus riches d'avoir la main lourde pour certains programmes, car elles ne seraient pas remboursées sur la base des frais du programme mais au contraire d'après la norme nationale. Pour l'instant, la Colombie-Britannique et l'Alberta, je crois, ont dépensé au titre de l'éducation postsecondaire, d'après laquelle on a calculé les PFPE, plus que les autres provinces au cours de l'année de référence 1975-1976; elles y ont consacré plus d'argent par habitant que certaines des autres provinces. Cela les découragerait donc d'avoir la main lourde.

**The Chairman:** Thank you, Mr. Loisel.

Monsieur Blenkarn.

**M. Blenkarn:** Je veux vous remercier, professeur Thomas, de nous avoir permis de profiter du point de vue de quelqu'un qui est affilié à une université. D'ordinaire, les universitaires viennent nous trouver en nous disant la chose suivante: «donnez-nous plus, plus et plus et, ce en invoquant toutes les raisons possibles. D'après ce que je comprends, vous semblez apprécier une proposition faite par quelqu'un que je ne nommerai pas. Il a déclaré que les universités étaient des organismes du dix-huitième siècle, dirigées d'après un système datant du dix-neu-

[Text]

**Mr. Thomas:** Actually, I would not agree with that. I do not want to be too far off the line that major university organizations have taken to this committee and in other submissions to the federal government and the provincial governments. My point is really that there is too much of a temptation among university spokesmen to look to the federal government as a salvation. Some of you may have read Daniel Patrick Moynahan's article in a recent magazine where he talks about the federal government as being just as capable of subverting academic freedom and tying us down with regulations as a provincial government.

I do not believe, frankly, the federal government has a monopoly on virtue in these matters, but I think there are national dimensions to education which deserve to be recognized, and we have a very, very difficult decade ahead of us. The universities have to do a much, much better job in getting their message out, and they have to do a bit of their homework. They have to clean up their own act, as I said earlier. Before you can argue before the provincial grants commission or convince the premier in this province that you deserve more funding, you have to deal with your own problems. It seems to me just to pin the blame on somebody and to say that you are a precious national asset are not enough.

**Mr. Blenkarn:** So you are agreeing that situations where we graduate many more law students per year than we could conceivably use properly in the legal field in this province and in my Province of Ontario is partly the fault of the universities, which are not willing to bend and not willing to turn their attention to business administration and that type of course where there is a huge demand, but which continue to process graduates because they are set up to process graduates in a particular field. Consequently we wind up with unemployment in some graduate schools and a tremendous demand in others.

**Mr. Thomas:** I will give a qualified answer again, if I may.

We are taking steps. We reduced the annual intake of freshmen law students in our province. The university is adapting to that situation of a surplus supply of lawyers. It takes time for a large organization to adapt. We are slow to adapt; but you are familiar with that, working in Ottawa. You know that large organizations have a certain amount of built-in inertia, and it takes time for them to adapt to changes within their environments. We are doing that, but not fast enough. I do not think in that sense we are much guiltier than any other organization on the scale of a university.

There is another caveat I guess I would toss in. Can you tell me for certain that the arts graduate of the future is redun-

[Translation]

vième siècle et essayant d'appliquer un programme éducatif du vingtième siècle.

**M. Thomas:** Je ne suis pas d'accord. Je ne veux pas trop m'éloigner du point de vue exposé par les principales organisations universitaires, devant ce comité et dans d'autres mémoires qui ont été remis aux gouvernements fédéral et provinciaux. De fait, j'estime que les porte-parole des universités sont trop tentés de compter sur le gouvernement fédéral pour assurer leur salut. Certains d'entre vous ont peut-être lu un article de Daniel Patrick Moynahan paru récemment dans une revue où il dit que le gouvernement fédéral peut subvertir la liberté académique et nous limiter notre marge de manœuvre par des règlements, tout autant qu'un gouvernement provincial.

Franchement, je ne crois pas que le gouvernement fédéral détienne, en cette matière, le monopole de la vertu, mais je crois que l'enseignement a des dimensions nationales qui méritent d'être reconnues, et qu'au cours de la prochaine décennie nous connaissons des difficultés. Les universités doivent s'employer à mieux faire passer leur message et il faut pour cela qu'elles fassent un peu de travail de préparation. Ainsi que je l'ai dit plus tôt, elles ont du nettoyage à faire. Il faut, avant de pouvoir plaider sa cause devant la commission des subventions provinciales ou de pouvoir convaincre le premier ministre de cette province que l'on mérite des crédits supplémentaires, que l'on règle ses propres problèmes. Il n'est pas suffisant, me semble-t-il, de rejeter simplement la faute sur quelqu'un et de déclarer que l'on est une valeur nationale précieuse.

**M. Blenkarn:** Vous admettez donc que les universités sont en partie responsables du fait que nous diplômions beaucoup plus d'étudiants en droit, chaque année, que le système juridique de cette province et de ma province de l'Ontario, ne peut en absorber. En effet, elles ne sont pas prêtes à faire preuve de la souplesse voulue et à diriger leurs efforts plutôt vers les cours en administration des affaires et autres cours de ce genre qui sont très demandés, et ce tout simplement, parce qu'elles sont déjà organisées pour former des étudiants dans certaines disciplines précises. Par conséquent, nous nous retrouvons avec des diplômés de certaines écoles d'études supérieures qui sont au chômage alors qu'il existe une demande intarissable dans d'autres domaines.

**M. Thomas:** Avec votre permission, je vais répondre de nouveau d'une manière nuancée.

Nous prenons certaines mesures. Nous avons diminué, dans notre province, le nombre d'étudiants en droit en première année. Il faut que l'université s'adapte à cette pléthore d'avocats. Ces grands organismes ont besoin de temps pour s'adapter et nous sommes lents à le faire, mais, travaillant à Ottawa, vous devez bien connaître ce problème. Vous savez qu'il règne, dans les grands organismes, une certaine inertie structurée, et il leur faut du temps pour s'adapter aux changements qui ont lieu dans leur environnement. Nous le faisons, quoique pas assez vite. Je ne crois pas qu'en ce sens nous soyons beaucoup plus coupables que tout autre organisme de la même envergure.

Je crois que je voudrais faire une autre mise en garde. Pouvez-vous me dire avec certitude qu'il y aura trop de



## [Texte]

dant? Can you tell me that business administration is the wave of the future indefinitely? It is like embarking on an industrial strategy and saying you are going to put all your money into microtechnology and then finding out that the basis for industrial innovation and success changes. You simply cannot cut off funds for different programs; turn the tap on and off. It just is not appropriate, because you may make a wrong judgement at one point in time and have to live with the consequences.

A few years ago we were spending money on arts and arts people were finding jobs. Now it is not the case. Even so, you have read the statistics and you know the university unemployment among arts graduates is not nearly as high as popular mythology would suggest. There are not that many unemployed PhD. cab drivers, despite the popular stereotype.

• 2030

**Mr. Blenkarn:** On university funding, during the '30s, the '40s, and the early '50s, indeed into the late '50s, the universities relied to about 30 per cent on student fees. Is it your opinion that universities should start relying more on student fees, in view of the fact that the vast majority of people at universities come from upper middle-class families?

**Mr. Thomas:** Universities are tending in that direction now. As I said earlier, I think part of the reason they did not move in that direction earlier, or that the tuition fee contribution to the total university budget lost ground, was the insistence of provincial governments, including the Government of Ontario in your province, and Manitoba, I know for certain.

Now, how far do you go in that direction without erecting insurmountable barriers of access to higher education for those low-income and medium-income young people, and adults, increasingly, who want to go to university? That is a tricky question. Do you deal with that problem of accessibility through another mechanism, rather than through keeping tuition fees artificially low? Do you provide some other mechanism such as an income-tax concession of some sort? That is a policy judgment you have to make.

But certainly in the past, at least, universities have been told to keep them low. In Newfoundland we had the case of free tuition for a while, in the heady days of the 60's, the golden days of universities, when everyone was worried about getting more people into universities.

You probably know, the late John Porter and Bernard Blishen did a big study on access to universities and they found that in fact financial barriers were not the principal barriers. The real problem for low-income working-class people and their children, and medium income people, was that they did not perceive university as within their horizons. So it was not even that student aid was not available when they arrived there; the point is that at some earlier stage of their education some guidance counsellor said, take the vocational option; and

## [Traduction]

diplômés en Arts? Pouvez-vous m'assurer que la demande en étudiants en Administration des affaires va continuer? Cela revient à adopter une stratégie industrielle, à affecter tous les fonds dont on dispose à la microtechnologie et à s'apercevoir après que la base de l'innovation et du succès industriel a changé. Vous ne pouvez pas tout bonnement réduire les fonds de différents programmes; accorder puis supprimer continuellement des crédits. Ce n'est pas convenable, car l'on peut, à un certain moment, faire une erreur de jugement et devoir ensuite en subir les conséquences.

Il y a quelques années, nous dépensions notre argent pour les études en Arts, et les diplômés de cette faculté trouvaient du travail. Aujourd'hui, ce n'est plus le cas. De plus, vous avez lu les statistiques et vous savez que le chômage parmi les diplômés universitaires en arts, n'est pas aussi élevé que le laisse entendre le mythe populaire. Malgré le stéréotype, il n'y a pas tellement de détenteurs de doctorat en chômage qui en sont réduits à être chauffeur de taxi.

**M. Blenkarn:** En ce qui a trait au financement universitaire durant les années 30, 40, le début et même la fin des années 50, les universités dépendaient des frais de scolarité pour à peu près 30 p. 100 de leur budget. Comme la grande majorité des étudiants viennent de familles à revenu assez élevé, estimez-vous que les universités devraient commencer à dépendre davantage des frais de scolarité?

**M. Thomas:** Les universités ont présentement tendance à le faire. Comme je le disais tout à l'heure, je crois que c'est en partie à cause de l'insistance des gouvernements provinciaux, y compris celui de notre province, l'Ontario, et, j'en suis sûr, celui du Manitoba, que les universités n'ont pas pris cette initiative plus tôt ou que la contribution des frais de scolarité au budget total universitaire a proportionnellement diminué.

Maintenant, jusqu'où peut-on poursuivre dans cette voie sans créer des obstacles insurmontables qui empêcheraient ces jeunes gens des classes pauvres et moyennes et les adultes qui désirent, de plus en plus, suivre des cours universitaires? C'est un problème épineux. Peut-on pallier ce problème en instaurant un autre mécanisme au lieu de maintenir les frais de scolarité artificiellement bas? Allez-vous prendre d'autres dispositions, une quelconque mesure fiscale, par exemple? C'est là une décision de politique que vous devez prendre.

Ce qui se faisait, dans le passé, du moins, c'était qu'on demandait aux universités de maintenir bas les frais de scolarité. A Terre-Neuve, au cours de ces grisantes années 60, qui furent l'âge d'or des universités, on a instauré l'enseignement gratuit pour attirer plus d'étudiants.

Comme vous le savez probablement, Bernard Blishen et le défunt John Porter ont fait une étude approfondie sur l'accès aux universités et ont établi qu'en fait les obstacles financiers ne sont pas les plus sérieux. D'après eux, le vrai problème pour les gens des classes pauvres et moyennes et pour leurs enfants, c'est qu'ils estiment que les universités ne sont pas pour eux. S'ils ne font pas d'études universitaires ce n'est donc pas seulement parce qu'ils ne peuvent pas obtenir une aide financière quand ils se présentent. Le problème c'est qu'au cours de



[Text]

they said, of course, that is the only one for me, it is my background, that is where I belong. So the talent does not get identified earlier on in the system. If the federal government is committed to greater equality within society, you could make a case that it should intervene in the educational process at an earlier stage to ensure that there are not disparities in education at the lower levels. And that would be a real hornets' nest. You have enough trouble, I am sure, without following that one up.

**Mr. Blenkarn:** Now, I suspect from what you are saying that your university and other universities in this province are advertising for students. You have already alluded to the fact that to expand their student population universities are offering off-hour courses and going to Gimly and all sorts of places to run courses. Is this because there are in fact not enough junior students coming on the market because of a change in birth rate and so on? Should we as a government be giving huge benefits to those who decide they would like post-secondary education and who are presently working, and subsidize them to 80 or 90 per cent of the cost?

**Mr. Thomas:** Well, I do not think you should subsidize people who are very well off, obviously. I am saying that under the income tax you could have some sort of system of deductions which would be geared to reported taxable income. Again, there are administrative problems. I do not mean to be glib about making that suggestion. You would have to investigate it and see what administrative problems—there are objections from the provinces, of course, because they get their tax-sharing benefits and their equalization benefits partly on the federal income-tax base. Any time you under-cut that base, you affect their revenues. So there again, you would have to get federal-provincial agreement.

No, I think it would be wrong to see the universities as stagnating, waiting out the century to come to terms with reality. There is a lot of innovation going on within universities. Again I can only talk about my own experience within arts. We have a criminal justice program now which has been vetted by the Department of the Solicitor General. With the University of Winnipeg we have a joint masters program in public affairs which trains prospective public servants and mid-career public servants. All sorts of program innovations are occurring.

I think one of the other problems for universities is to terminate programs that have outlived their usefulness. That is an art that is not practised in government, and it is not practised in universities very widely. The argument at universities is that they are starved and, yet, programs live on in perpetuity when there are very small enrolments. It is very, very difficult to terminate programs, just as it is, as I am sure you appreciate, in the federal government or any government.

[Translation]

leurs études, un conseiller en orientation a dû leur recommander de choisir l'option de formation technique et, bien entendu ils se disent: «C'est bien la seule possibilité qui s'offre à moi, cela correspond à la classe à laquelle j'appartiens». Alors les talents des élèves ne sont pas décelés plus tôt dans le système. Si le gouvernement fédéral veut promouvoir une plus grande égalité dans notre société, on pourrait donc suggérer qu'il intervienne dès les premières années d'études pour éviter que les inégalités ne se produisent à ce moment-là. Et ça, ce serait un vrai guépier. Vous avez suffisamment de problèmes, je suis sûr, sans essayer cela.

**M. Blenkarn:** D'après ce que vous dites, j'en conclus que votre université et les autres universités de la province font de la réclame pour attirer les étudiants. Vous avez déjà fait allusion au fait que pour accroître le nombre d'inscriptions, les universités offrent des cours en dehors des heures de travail; elles le font à Gimly et dans d'autres localités. Ont-elles besoin de faire cela parce que les inscriptions ont baissé à cause de la faible natalité et ainsi de suite? Devrions-nous, en tant que gouvernement, offrir d'énormes avantages à ceux qui travaillent actuellement et qui décident de faire des études postsecondaires, en leur payant leurs frais d'étude à 80 ou 90 p. 100?

**M. Thomas:** Évidemment, j'estime qu'on n'a pas à subventionner les études des gens très aisés. En revanche, je trouve qu'on pourrait accorder des exemptions d'impôt sur le revenu. Là encore, cela pose des problèmes d'ordre administratif. Je n'ai pas l'intention d'être spécieux en faisant cette suggestion. Il faudrait l'étudier et voir quels seraient les problèmes administratifs. Bien entendu, les provinces y verraient des objections parce que leur part d'impôt et le montant des péréquations sont calculés d'après l'assiette de l'impôt prélevé par le gouvernement fédéral. Les recettes des provinces diminuent au fur et à mesure que cette assiette baisse. Là encore donc, il conviendrait de conclure une entente fédérale-provinciale.

Non, il est faux de considérer que les universités sont dans un état de stagnation, et qu'elles attendent la fin du siècle avant de faire face à la réalité. Les universités innovent beaucoup. Encore une fois, je ne peux parler en connaissance de cause que de ma propre expérience dans le domaine des Arts. Nous avons un programme en justice pénale que le ministre du Solliciteur général a examiné. Nous avons organisé conjointement avec l'Université de Winnipeg, un programme de maîtrise en Affaires Publiques, qui s'adresse aux futurs fonctionnaires ainsi qu'à ceux qui ont déjà une certaine expérience professionnelle. On lance toutes sortes de programmes d'un type nouveau.

Je crois que l'autre problème des universités, c'est qu'elles doivent mettre un terme aux programmes qui n'ont plus aucune utilité. C'est là un art que ne pratique pas le gouvernement, et que n'exercent pas beaucoup non plus les universités. Elles disent qu'elles se meurent de faim et pourtant elles organisent éternellement des programmes pourtant très peu suivis. Il est vrai qu'il est extrêmement difficile de mettre un terme à des programmes et vous vous en rendez compte, j'en suis certain, dans le cas du gouvernement fédéral ou de tout autre instance.

[Texte]

• 2035

**Mr. Blenkarn:** Is it your thesis that the present federal blue book which allocates EPF funding between the Secretary of State and the Minister of Health and Welfare on the basis of two-thirds to one-third ratio is totally wrong, and is giving the wrong impression to the public in general?

**Mr. Thomas:** If you did a simple comparison as you will see in the paper here, between what the Secretary of State reports the federal government spends in Manitoba universities and what the University Grants Commission gives to universities, you would conclude that almost 100 per cent of the university operating costs were paid for by the federal government. That is because the Secretary of State in drawing up that account includes the revenue guarantee, and includes the tax points. But the provinces would argue that the tax points are unconditional; that they have to raise the taxes; they have to incur the political blame for that, and that it should not be counted as a federal contribution. It is their own actions that brings those revenues in.

**Mr. Blenkarn:** Your position is that the federal government with its blue book allocation of cash, creates a distortion that has led a lot of people in the university field and in the medical field to think they are being short-changed?

**Mr. Thomas:** I do not mean to be too cynical about my colleagues. I think it is a convenient mislabeling of funds for their purposes. I mean it helps us to come before a body like this to make our case; to say that you people are contributing an increasing proportion of university costs; you are having declining influence on the structure of universities, the operations of universities and colleges; your influence is waning. That does not make sense. So you can make a very strong argument. I think they recognize fully that there is something to Justice Hall's argument about the obligations that the provinces assumed when they agreed to Established Program Financing; I think they were minimal, and they are even practically non-existent in the case of post-secondary education.

**Mr. Blenkarn:** This is my last question. With respect to mobility, and the ability for a student in Ontario to move to Manitoba, or vice versa; the ability of a person to enroll in a course in one province or another; let me ask if you have any evidence that you can give us that this mobility has been unduly restricted over the past five years.

**Mr. Thomas:** I cannot present hard evidence. I was a parliamentary intern in 1972 when I worked for your good friend, Gordon Fairweather, and when some amendments were being made to the Federal-Provincial Fiscal Arrangements Act we went before the national finance committee. At that time, Mr. Fairweather questioned whether the Secretary of State and Department of Finance would tolerate the erection of interprovincial barriers, and Mr. Turner who was then the Minister of Finance and Mr. Shoyama, as the Deputy Minis-

[Traduction]

**M. Blenkarn:** Estimez-vous que l'actuel livre bleu du gouvernement fédéral, qui porte sur la répartition selon la proportion de deux tiers, un tiers, des fonds du Programme de financement des programmes établis entre le Secrétaire d'État et le ministre de la Santé et Bien-être, est complètement erroné et donne une fausse impression au public en général?

**M. Thomas:** Si vous faites une simple comparaison, vous constaterez dans ce document la chose suivante: quand on ajoute les dépenses fédérales que fait le Secrétariat d'État pour les universités du Manitoba et les sommes que la Commission des subventions aux universités verse à ces dernières, on voit que le gouvernement fédéral paie presque la totalité des frais de fonctionnement. Cela provient du fait que quand il établit ce compte, le Secrétariat d'État, englobe la garantie de revenus ainsi que les points fiscaux. Mais les provinces soutiendraient que les points fiscaux ne sont pas assortis de conditions, que c'est eux qui doivent augmenter les impôts et en subir le blâme politique et que ça ne devrait pas compter en tant que contribution fédérale. C'est grâce à elles que cet argent rentre dans les caisses de l'État.

**M. Blenkarn:** Estimez-vous qu'à cause de la façon dont il répartit les fonds par l'entremise du livre bleu le gouvernement fédéral déforme les faits ce qui a conduit bien des gens du domaine de l'éducation et de la médecine à penser qu'ils étaient lésés?

**M. Thomas:** Je n'ai pas l'intention de me montrer très cynique envers mes collègues. Je crois que cette erreur d'«étiquetage» des fonds fait leur affaire. En fait, lorsque nous venons plaider notre cause devant un organisme tel que le vôtre, il nous est utile de pouvoir dire que, bien que vous financiez dans une proportion sans cesse croissante les universités, votre influence sur la structure des universités, sur le fonctionnement de ces dernières et des collèges, diminue, va en s'affaiblissant. Cela n'a aucun sens. On peut donc présenter un argument très solide. Je crois que les universitaires admettent bien qu'il y a du vrai dans ce qu'a dit Monsieur le juge Hall au sujet des obligations que les provinces ont contractées quand elles ont consenti à financer les programmes établis; je crois que ces obligations étaient minimales voire pratiquement inexistantes, dans le cas de l'enseignement post-secondaire.

**M. Blenkarn:** Voici ma dernière question. En ce qui concerne la mobilité et la possibilité pour un étudiant de l'Ontario d'aller s'installer au Manitoba ou vice-versa, la possibilité pour une personne de s'inscrire dans une province ou l'autre, puis-je vous demander si vous avez des exemples prouvant que des entraves auraient été faites à cette liberté de mouvement au cours des cinq dernières années?

**M. Thomas:** Je ne peux vous fournir en ce moment de preuves solides. En 1972, j'étais stagiaire parlementaire, alors que je travaillais pour votre bon ami, M. Gordon Fairweather. Au moment où l'on apportait des modifications à la loi sur les arrangements fiscaux entre le gouvernement fédéral et les provinces, nous avons comparu devant le Comité national des finances; c'est alors que M. Fairweather a demandé si le Secrétariat d'État et le ministère des Finances toléreraient qu'on établisse des barrières interprovinciales. M. Turner,



[Text]

ter, said they had no recourse if the provinces embarked on this course. Now, I know that for certain grants that are available such as the Province of Ontario Graduate Studies Fellowships, I understand that first preference is given to Ontario residents.

**Mr. Blenkarn:** Those are fellowships. Those are over and above. In other words, there is no thing preventing a Manitoba student from going to university, except that he may not qualify for a fellowship that is coming from the Province of Ontario.

**Mr. Thomas:** That is correct.

**Mr. Blenkarn:** But he may qualify for a Manitoba fellowship though?

**Mr. Thomas:** Yes, and if he cannot get the course in Manitoba, then he can carry the fellowship outside this province. But there is a problem of course, in that in the real world, the practical world, embarking on a graduate degree program is over a number of years, and you are not always assured that you can earn enough money over the summer, say from serving as departmental assistants and so on, to carry you. So it would be very nice, of course, to have a fellowship which does not have working conditions attached to it. Most of the assistance that is now provided by university departments are rewards for employment.

Now I do know whether it goes further than that. At least to my knowledge, and I have not done a survey, I do not think there are differentials in fees based on out-of-province residence. But that may come in the future. I am just saying that you see other examples of balkanization within the economy, and through the actions of government, and I am afraid that that may come in the future.

**Mr. Blenkarn:** Thank you.

**The Chairman:** Mr. Blaikie.

• 2040

**Mr. Blaikie:** Yes, Mr. Chairman, I want to ask Mr. Thomas if he could clear up what seems to be two messages. On the one hand you say that you think for political purposes, the federal government, has on occasion been self-righteous about the actions of provincial governments; that is to say that there was the intention in the establishment of Established program Financing Act for the provinces to have the ability to be more efficient and to save money, and that the federal government is acting more surprised than it ought to be about the results of EPF. On the other hand you say and particularly with regard to post-secondary education, and perhaps it is not so much a contradiction as it is something that just invites comment, that it is not earmarked; that there is no national education act; that the division of the money in the two thirds to one third arrangement at the time of setting up the program is sort of arbitrary.

[Translation]

alors ministre des Finances et M. Shoyama, son ministre adjoint, répondirent qu'ils ne pourraient rien faire au cas où les provinces prendraient cette orientation. Maintenant, je sais que pour certaines subventions, notamment—si mes renseignements sont exacts—les bourses d'études supérieures de la province de l'Ontario, on a accordé la préférence aux résidents de l'Ontario.

**M. Blenkarn:** Ce sont des bourses. C'est en plus. En autres mots, il n'y a rien qui empêche un étudiant du Manitoba d'aller à l'université, si ce n'est qu'il ne pourra peut-être pas avoir de bourse de l'Ontario.

**M. Thomas:** C'est exact.

**M. Blenkarn:** Mais il peut toutefois bénéficier d'une bourse du Manitoba?

**M. Thomas:** Oui, s'il ne peut pas suivre le cours en question au Manitoba, il peut se servir de la bourse hors de la province. Mais bien entendu il y a un problème: dans le monde réel, dans la pratique, quand un étudiant s'inscrit à un programme d'études menant à un diplôme supérieur, c'est pour un nombre d'années et il n'est pas toujours certain qu'il puisse gagner assez d'argent au cours de l'été en travaillant, disons, comme adjoint ministériel et ainsi de suite, pour subvenir à ses besoins. Ce serait donc bien, évidemment, que ces étudiants puissent obtenir une bourse qui ne soit pas assortie de conditions d'emploi. Presque toute l'aide que les départements d'université fournissent sert à rétribuer les étudiants pour l'emploi qu'ils exercent.

Maintenant, je ne sais pas si ça va plus loin que ça. Je n'ai pas fait d'enquête mais à ma connaissance les frais de scolarité sont les mêmes, qu'on réside hors de la province ou non. Mais il est possible que cela change. Tout ce que je dis, c'est qu'on peut voir, au sein de l'économie et à travers les agissements du gouvernement, d'autres exemples de balkanisation et je m'inquiète de ce qui peut survenir plus tard.

**M. Blenkarn:** Merci.

**Le président:** Monsieur Blaikie.

**M. Blaikie:** Oui, monsieur le Président. Je voulais demander à M. Thomas s'il pouvait tirer au clair ce qui semble constituer deux messages différents. D'une part, vous dites que le gouvernement fédéral a pris, à l'occasion, pour des raisons politiques, une attitude pharisaïques à l'égard des agissements des gouvernements provinciaux: c'est-à-dire que la loi sur les programmes établis a été adoptée pour permettre aux provinces d'être plus efficaces et d'économiser de l'argent alors que le gouvernement fédéral semble être plus surpris qu'il ne le devrait des résultats de ce programme. D'autre part, vous dites, notamment au sujet de l'enseignement post-secondaire, et peut-être est-ce tout simplement une remarque qui exige quelque commentaire, sans être toutefois une contradiction, que les fonds ne sont pas affectés à des fins spéciales, qu'il n'existe pas de loi nationale sur l'enseignement, et que lors de l'établissement du programme, on a décidé de répartir les fonds selon la proportion de deux tiers-un tiers, d'une manière plutôt arbitraire.



*[Texte]*

But I cannot help but keep coming back to the perception that this thing has a name; it is called the Established Programs Financing Act; it is not just another equalization grant. The very word "program" suggests that there are some programs that this money ought to be spent on. And yet from the arguments, that are heard from the provincial governments, you would swear that this was just a sort of lump of money that had no name. In fact, the treasurer for Ontario said he did not consider any of the money earmarked.

Now somebody has got to be wrong here. Somebody is putting the public on. This was an "arrived at" agreement. This is not something that was imposed by the federal government. Either this money is, in spirit earmarked or it is not, regardless of the lack of any sort of technical earmarking. So I wonder if you could comment on what seems to me to have been the spirit of the agreement—that the money be earmarked, and that it be intended for certain established programs. To the degree that that either is not happening or that it is claimed by provincial governments that it does not even have to happen, that is the extent to which EPF has broken down.

**Mr. Thomas:** Well, as you say, the perception of the provinces both at the level of ministers and at the level of officials, is that this is unconditional money and that there are no strings attached to it, it does not even have to be spent within the three categories. Presumably you could argue that, provided it was moved around the three programs and at least used within those three broad areas, that it would qualify as a fulfilment of the spirit of the thing. But they do not even accept that minimal condition. Since education is a broad and amorphous field, and without national legislation governing the use of these funds, they feel even more free to move the money into other areas. So I do not think they have any inhibitions about this whatsoever.

I am not sure what more can be said about that. I guess the other thing that could be noted is that Justice Hall quotes chapter and verse of Liberal ministers at the time; the Prime Minister, the Minister of Finance, the Minister of Federal-Provincial Relations, of the day I guess who was Mr. Lalonde, to the effect that here this money is totally unconditional. You have read the passages in the Hall Report, I am sure. I can remember reading those House of Commons debates and being struck by that, and I would sound the alarms among my colleagues; but they were either inert or ignorant and they did not get aroused about it. The University of Manitoba at the time took no notice of it whatsoever virtually. I asked a question in the university senate that year, and the president of the university and the vice-president did not even realize what was going on in Ottawa in terms of this change to the basis of financing. We missed the boat frankly. The national organizations, the CAUT and the AUCC were on watch for us, but I do not think that the university community generally appreciated the significance of what was taking place. So, Mr. Blaikie, I do not think there is a strong commitment either

*[Traduction]*

Mais je ne peux m'empêcher de revenir sur le fait que cette entente a un nom, il s'agit de la Loi sur les programmes établis. Ce n'est pas tout simplement un programme de péréquation de plus. Le mot «programme» indique qu'il existe des programmes auxquels ces sommes devraient être affectées. Et pourtant, à entendre parler les gouvernements provinciaux, on jurerait qu'il s'agit d'une somme d'argent sans affectation précise. De fait, le Trésorier de l'Ontario dit que, selon lui, aucune partie de cet argent n'est affectée à des fins particulières.

Alors, il y a quelqu'un qui se trompe. Quelqu'un berne le public. Cela fait une entente «négociée». Ce n'est pas quelque chose que le gouvernement fédéral a imposé. Ou bien cet argent est affecté, en théorie, à une fin particulière ou il ne l'est pas, nonobstant l'absence de tout «étiquetage» technique. Je me demande si vous pourriez faire un commentaire sur ce qui me semble être l'esprit de l'entente—à savoir que cet argent soit affecté à une fin spéciale, qu'il soit destiné à certains programmes établis. Dans la mesure où cela ne se produit pas, où les gouvernements provinciaux prétendent que ce n'est même pas censé se produire, l'entente sur le financement des programmes établis n'a pas été tenue.

**M. Thomas:** Bien, comme vous dites, les provinces, que ce soit pas l'intermédiaire de leurs ministres ou par celui de leurs fonctionnaires, considèrent que le versement de ces fonds n'est pas assorti de conditions ni de restrictions. Elles vont même plus loin, car elles considèrent qu'elles n'auraient même pas à être dépensées dans le cadre des trois catégories. Prémûment, on pourrait dire que l'esprit de l'entente est respecté dans la mesure où cet argent sert à trois programmes et où il est au moins employé dans le cadre de ces trois grands domaines. Mais les provinces n'acceptent même pas cette condition minime. Comme le domaine de l'éducation est étendu et vague, et comme il n'existe pas de loi nationale régissant l'emploi de ces fonds, les provinces se donnent toute latitude pour affecter cet argent à d'autres domaines. Je ne crois donc pas qu'elles souffrent d'aucune entrave à ce sujet.

Je ne sais pas quoi ajouter. Je suppose que l'autre chose à noter, c'est que le juge Hall cite constamment les ministres libéraux d'alors, le premier ministre, les ministres des Finances, le ministre des Affaires Fédérales-Provinciales, qui étaient alors M. Lalonde, selon lesquels l'octroi de cet argent n'était assorti d'aucune condition. Vous avez, j'en suis certain, lu ces passages du Rapport Hall. Je me souviens d'avoir lu les débats de la Chambre des communes et d'en avoir été frappé; j'ai alerté certains de mes collègues qui sont restés inertes ou ont ignoré la chose et qui ne s'en sont pas fait. A l'Université du Manitoba, on n'a pratiquement pas relevé la chose. J'ai posé une question à ce sujet au Sénat de l'Université, cette année-là, et ni le président ni le vice-président ne se sont rendu compte de ce qui se passait à Ottawa en ce qui concernait les changements des modalités de financement. Franchement, nous avons raté le coche. Les organisations nationales, l'Association Canadienne des Professeurs de l'Université et l'Association Canadienne des Universités et Collèges du Canada surveillaient la chose pour notre compte, mais je ne crois pas que la communauté universitaire en général ait pris conscience de la gravité

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morally or legally there. I think it was pretty much carte blanche.

• 2045

**Mr. Blaikie:** Mr. Chairman, I wonder whether they meant unconditional in the traditional sense of the word, or whether they were speaking about unconditional as compared to the conditions that were laid on the cost sharing arrangement prior to the EPF. I do not know; I was not there. But you were not the only one who was alarmed. There are other speeches that you could read in the EPF debate by Tommy Douglas and other members of the NDP caucus, who say this coming.

My other question has to do with EPF as well. You said that the horse was out the barn door, to use a very old expression, and that there is nothing we can do about EPF now; that it is irrevocable. All provinces have now acquired the taste of autonomy that only Quebec once desired, and there is really no going back to the kind of conditional moneys that existed prior to EPF. So I wonder then, assuming for the moment that you are right, if there is a chance that we really have had the worst possible experience of established programs financing. That is to say, have the last five years, politically speaking, been the worst historic period in which to play with provincial autonomy vis-à-vis spending funds on health care and social services? As a political scientist, and even though I am critical of block funding, my own theory is that to be fair, this is almost the worst time we could have tried block funding. It was coincident with a sort of peaking of neoconservatism, a peaking of putting the blame for all the problems of the world on government spending; you know, there was that whole sort of phenomenon which hopefully is past, at least in Canada. But is that a fair analysis of why EPF might have more effective possibilities than it has been able to show in the last little while?

**Mr. Thomas:** I would say a couple of things in response. Just on the question of the unconditional nature of these arrangements, I think it might be educational to read the statements of Allan Blakeney at the time. He was an advocate of continuation of shared costs; yet he recognized clearly what exactly was being done, and that this was a totally unconditional arrangement that was being entered into now. And he regretted that, even though in some ways Saskatchewan stood to gain in terms of autonomy and so on. So there was a province which was not bent upon achieving a greater and greater measure of freedom for its own action. It was committed to equalization, committed to shared costs, and saw it in those terms.

*[Translation]*

de ce qui se passait. Donc, monsieur Blaikie, je ne crois pas qu'en l'occurrence, il y ait eu un engagement solide, que ce soit sur le plan moral ou juridique. Je crois qu'on donnait en général carte blanche aux intéressés.

**M. Blaikie:** Monsieur le président, je me demande s'ils emploient l'expression «assorti de conditions» dans le sens traditionnel ou s'ils opposent cela aux conditions imposées dans les arrangements de partage de dépenses qui a lieu pour le financement des programmes établis. Je l'ignore. Je n'y étais pas. Mais vous n'étiez pas le seul à vous alarmer de la chose. Il y a eu d'autres discours, pendant le débat sur le financement des programmes établis que vous auriez pu lire, comme ceux de Tommy Douglas et d'autres membres du caucus du Nouveau parti démocratique qui ont prévu ce qui est arrivé.

Mon autre question traite aussi du Programme de financement des programmes établis. Vous avez dit qu'il est trop tard pour fermer la porte quand le cheval est sorti de l'écurie, pour employer une vieille expression, et qu'il n'y a rien qu'on puisse faire maintenant au sujet du financement des programmes établis, que c'est irréversible. Toutes les provinces ont maintenant des velléités d'autonomie, ce qui auparavant était l'apanage du Québec et il est impossible de revenir à la formule du versement d'octrois assujettis de conditions qui existait avant le Programme de financement des programmes établis. Je me demande donc, en prenant pour acquis pour le moment que vous avez raison, s'il y a une chance que nous ayons vraiment eu la pire expérience possible au sujet du financement des programmes établis. En d'autres termes, les cinq dernières années ont-elles été, politiquement parlant, la pire période historique pour prendre à la légère les désirs d'autonomie des provinces à l'égard des dépenses pour les soins médicaux et les services sociaux? En tant que politologue et quoique je sois critique à l'égard du financement d'après la formule globale, j'estime—pour être juste—que nous n'aurions pratiquement pas su plus mal tomber pour la mettre à l'essai. Cette période a coïncidé avec l'apogée du néo-conservatisme, dont la caractéristique était d'expliquer tous les problèmes du monde par la politique de dépenses du gouvernement; vous savez, nous avons connu ce genre de phénomène qui, je l'espère, est désormais du passé, au moins au Canada. Mais cela explique-t-il bien les raisons pour lesquelles le Programme de financement des programmes établis pourrait avoir plus de succès qu'il ne l'a fait tout dernièrement?

**M. Thomas:** Je voudrais répondre un certain nombre de choses. Pour ce qui est du caractère «inconditionnel» de ces arrangements, il serait constructif—je crois—de lire les déclarations qu'a faites alors M. Allan Blakeney. Tout en étant partisan des programmes à frais partagés, il se rendait tout de même bien compte de ce qui se passait exactement, à savoir qu'il ne s'agissait plus d'un arrangement assorti de conditions. Il le regrettait quoique, d'une certaine manière, la Saskatchewan pourrait y gagner en autonomie et ainsi de suite. Il y avait donc une province qui ne cherchait pas coûte que coûte à obtenir toujours une plus grande liberté d'action. Elle avait accepté le compromis de la péréquation et des programmes à



## [Texte]

Now on the question of not being able to go back to the former situation, maybe you could go back. I do not know whether this is particularly saleable with the provinces, but if you allowed an opting-out arrangement of some sort, and you allowed them to take the fiscal equivalents in tax points. But the tax points would need to be equalized to the highest province rather than to the national average, to protect the have-not provinces. That is very, very, hard to sell with the provinces, I think, in the present mood.

Yes, I think the present situation of restraint within the governments generally in Canada undoubtedly compounds the tension within the federal system, and that it is an unfortunate coincidence of events. But, after all, we lived through a period from, say, 1965, when CAP was launched and medicare was launched as well as the shift which was made to 50-50 cost sharing in post-secondary education. All those chickens came home to roost by about 1975. Those programs, as you know, were escalating very, very, rapidly; you know, as much as by 20 per cent in some of them, 15 per cent; and the federal government began in the early nineteen seventies to impose unilateral ceilings on them. There had to be some restraint. I used to work in the Department of Finance, so I know the problems of controlling shared-costs programs. The treasury always fights against shared-costs programs, because they seem to be more immune to costs control. When you have two parties involved in them it is much more difficult to control financial behaviour. You have groups of program specialists getting together saying, This program is an immense success; we deserve more money. They reach an agreement in a federal-provincial conference; the ministers ratify it, and then the treasury is left to pick up the price tag, the bill for that program. So they have a momentum of their own, and there had to be some restriction. I am not a neo-conservative by any stretch of the imagination, but I recognize that the rate of spending was very, very high and given the slowdown in the economy, that you had to level off that spending, not in such a draconian fashion as took place in this province, hopefully, but nonetheless you had to level it off.

• 2050

**Mr. Blaikie:** My last question, Mr. Chairman.

There was a comment made when we were in Newfoundland—I think it was from the President of Memorial University who was before us, that this whole notion of the provincial governments having jurisdiction over education was a complete—not a fabrication, but a sort of mistaken extrapolation from the BNA Act; that when they wrote the BNA Act, it was the churches that were in charge of the universities and that they did not really mean everything and anything that would be educational from now until the end of time would be provincial. What he suggested, apart from ignoring the BNA

## [Traduction]

frais partagés, et c'est dans cette optique qu'ils voyaient la question.

Maintenant, pour ce qui est de l'impossible retour à l'ancienne situation, peut-être serait-ce faisable? Je ne sais pas s'il serait particulièrement facile de convaincre les provinces, mais ce serait peut-être réalisable en laissant en quelque sorte la chose à leur discrétion, en les autorisant à prendre l'équivalent en points fiscaux, mais il faudrait effectuer une péréquation des points fiscaux par rapport à la province qui a les points les plus élevés plutôt que de se servir de la moyenne nationale, afin de protéger les provinces pauvres. Dans le climat actuel, il serait très, très difficile d'en convaincre les provinces.

Oui, je crois que le souci actuel d'austérité des pouvoirs publics au Canada en général, aggrave sans doute la tension au sein du régime fédéral et que nous avons eu un concours de circonstances malheureuses. Mais, après tout, nous avons connu une époque, disons, à partir de 1965, au cours de laquelle le Régime d'assistance publique et celui de l'assurance-maladie furent lancés, et nous sommes passés à la formule du partage des frais de l'enseignement post-secondaire à raison de moitié-moitié. Vers 1975, nous avons récolté ce que nous avons semé. Ces programmes, comme vous le savez, prenaient de l'essor très, très rapidement, certains augmentant de pas moins de 20 p. 100, d'autres de 15 p. 100 et, au début des années 70, le gouvernement fédéral a commencé à fixer des plafonds de manière unilatérale. Il était devenu nécessaire d'imposer des contraintes. J'ai déjà travaillé au ministère des Finances et je connais donc les problèmes du contrôle des programmes à frais partagés. Le Trésor s'oppose toujours à ces programmes, parce qu'ils semblent échapper davantage au contrôle des dépenses. Quand un programme compte deux participants il devient beaucoup plus difficile d'exercer un contrôle sur les questions financières. Des groupes de spécialistes en programmes se réunissent et disent la chose suivante: «Ce programme est un grand succès; nous méritons plus d'argent». Ils arrivent à s'entendre au cours d'une conférence fédérale-provinciale, que les ministres ratifient puis le Trésor doit payer la note. Les provinces ont donc leur propre essor, et il s'impose d'y mettre des limites. Même avec beaucoup d'imagination, on ne peut me considérer comme étant un néo-conservateur, mais je reconnais que les dépenses étaient très, très élevées et qu'il fallait, vue le ralentissement de l'économie, réduire ces dépenses peut-être pas, c'est à espérer, de la manière draconienne dont on l'a fait dans cette province-ci, mais il faut tout de même les réduire.

**M. Blaikie:** Ma dernière question, monsieur le Président.

A Terre-Neuve, le président de l'université Memorial, qui comparaisait devant nous, a fait remarquer que le fait de vouloir accorder aux gouvernements provinciaux la compétence en matière d'enseignement est non pas une invention montée de toutes pièces, mais une sorte d'extrapolation erronée de l'Acte de l'Amérique du Nord britannique; qu'au moment où on a rédigé cet acte, c'étaient les Eglises qui étaient responsables des universités et il n'avait pas vraiment été prévu que tout ce qui touchait d'une manière ou d'une autre l'enseignement, à partir de ce moment-là jusqu'à la fin des temps,



## [Text]

Act, was that there be a little bit of conceptual gymnastics and that under the guise of manpower you could regard the universities as a federal concern, because the federal government has jurisdiction over manpower and this is supposed to be your highest form of manpower, at least so it goes, and the federal government claims no jurisdiction.

Would you comment on that, given what I think is a danger in it, which you have already pointed out, and that is you would come to regard university education as only instrumental and with that kind of constitutional interpretation of post secondary education you might have no rationale for an arts program at all.

**Mr. Thomas:** In 1966 or 1967, the federal government moved to take over adult-occupational training, get into manpower training, and that was met with great howls of protest, partly in the way it was done. I was a public servant then in the provincial government. The proposal was waiting for us in the Chateau Laurier when we arrived on Sunday night. We were expected to discuss it Monday morning with no prior announcement. There was a great uproar about that because the provinces resented being taken for granted in that way.

If you are saying that they should ignore what everyone has presumed all along, that education is primarily a provincial responsibility, I think that that is an immense political fight in federal-provincial terms. It may arise when we get back to re-examining the Constitution, but my own prescription for that would be to leave that for a couple of years and let things cool off in federal-provincial relations for a while—shelve the Constitution. But then when you are talking about realigning constitutional responsibilities, I think it is worth asking the question, whether post secondary education is more in the nature of a national undertaking than a provincial undertaking. But you will encounter great well-entrenched provincial sensitivities there and it will be very, very hard to convince the provinces of that. I do not see any great likelihood of that occurring.

Already the federal government does a number of things in relation to education; they do not call it an education policy, they do not have one as such, but they spend through the Department of Agriculture, the Department of the Secretary of State, research-grants agencies, the Department of External Affairs, and so on. The provinces constitutional sensibilities are not upset when they take the money; it is only if you wrap it up and call it education that they become aroused.

Your proposal would make a frontal attack on a long-standing tradition of provincial control, and it would be one great battle and certainly not one that should be joined now at this time in our history, I do not think. It would be just counterproductive at this point.

## [Translation]

serait de la compétence provinciale. Ce qu'il suggère, à part de ne pas tenir compte de l'Acte, c'est qu'on fasse un peu de gymnastique conceptuelle et que, sous le couvert de la main-d'œuvre, on considère les universités comme étant du domaine fédéral, car c'est le gouvernement fédéral qui est compétent en matière de main-d'œuvre et parce qu'elles sont censées être le réservoir de la main-d'œuvre la plus qualifiée; c'est du moins l'argument, et le gouvernement fédéral ne revendique aucune juridiction.

Pourriez-vous nous dire ce que vous en pensez, étant attendu, comme vous l'avez déjà mentionné, qu'il existe le danger de considérer l'enseignement universitaire en tant qu'instrument seulement, et qu'avec cette interprétation constitutionnelle de l'enseignement post-secondaire, il ne se justifie peut-être pas d'avoir de programmes dans le domaine des Arts.

**M. Thomas:** En 1966 ou 1967, le gouvernement fédéral a commencé à prendre en main la formation professionnelle pour adultes, à s'occuper de cette formation, ce qui a provoqué de très fortes protestations, et ce, en partie, à cause de la manière dont cela s'est fait. J'étais alors fonctionnaire du gouvernement provincial. La proposition nous attendait à notre arrivée le dimanche soir au Château Laurier. On escomptait que nous en discuterions le lundi matin, sans avis préalable. Cela a provoqué un grand tollé, car les provinces étaient offensées d'être traitées de façon aussi cavalière.

Si vous estimez qu'on devrait faire fi de ce que tout le monde a toujours pris pour acquis, à savoir que l'enseignement est principalement une responsabilité provinciale, je crois que nous assisterons à une bataille politique fédérale-provinciales de grande envergure. C'est ce qui pourrait arriver quand nous réétudierons la constitution; mais le remède que je propose ce serait de l'oublier ou de la remiser pendant quelques années pour permettre pendant un certain temps aux choses de se tasser dans le domaine des relations fédérales-provinciales. Mais, quand vous parlez de réorganiser les responsabilités constitutionnelles, je crois qu'il conviendrait de se poser la question suivante: l'enseignement post-secondaire a-t-il davantage l'aspect d'une entreprise nationale que d'une entreprise provinciale? Mais vous allez heurter, ce faisant, les susceptibilités bien enracinées des provinces et il va être très, très difficile de convaincre ces dernières.

Je pense qu'il y a peu de chance que cela arrive. Le gouvernement fédéral s'occupe déjà de bien des choses dans le domaine de l'enseignement; on ne parle pas de politique d'éducation puisque le gouvernement fédéral n'en a pas en tant que telle, mais il dépense de l'argent par l'entremise du ministre de l'Agriculture, du Secrétariat d'État, des organismes de subventions à la recherche, du ministère des Affaires extérieures, et ainsi de suite. Les provinces ne sont pas blessées dans leur susceptibilité quand elles acceptent de l'argent; c'est seulement si on l'emballe et si on y met l'étiquette enseignement qu'elles prennent la mouche.

Avec votre proposition, on s'attaquerait de plein front à une tradition bien établie du contrôle des provinces et cela déclencherait une grande bataille, qu'il ne serait pas opportun d'engager à ce tournant de notre histoire, me semble-t-il. Présentement, cela ne pourrait qu'être préjudiciable.

[Texte]

**Mr. Blaikie:** It was not my proposal; it was someone else's proposal.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Mr. Chairman, I know we are running a bit late and we have a number of witnesses to hear yet, but I would like to question for a wee bit because, as I have said before around the country, I think the post-secondary education fund is perhaps the most vulnerable to cuts in the country for a lot of reasons. Therefore, I think it is very worthwhile for our committee to look into it as closely as we can. We have heard on a number of occasions about the different interpretations of the 1977 EPF negotiations and what each side wanted to get out of them. But I think the reason why we are here today is to discuss some possible changes in what has happened since 1977. We are not here to say that 1977 and the agreements are sacrosanct and cannot be changed.

• 2055

You mentioned in your presentation, Professor Thomas, that about 85 per cent of the budget of the universities were in salaries, but there were some internal financial management problems. I think perhaps you may have expanded on that a bit later, but as one of our members said to you, we have not heard too many presentations critical at all of the various programs, and without going into that too much, I wonder whether you could elaborate on what some of those internal financial management problems were that you were initially referring to.

**Mr. Thomas:** Okay. I will have to draw upon local examples, I am afraid. I cannot talk to the situation in other universities or other provinces particularly.

We have three universities in this province. We have a duplication of programs and courses at different institutions, where there is not a sufficient student population or student interest to support more than one program. So you have a number of programs with a very small enrolment. A number of attempts have been made to offer joint graduate programs. I am involved in one which is highly successful. We have two that are in tremendous trouble. Everyone recommends, particularly in the Ontario situation, that there should be some rationalization of offering of programs through joint efforts by universities, so that you could achieve some economies of scale, if you like.

But it is very, very hard for institutions, with separate budgetary problems, to get together and co-operate, where there is not a healthy measure of institutional rivalry and insistence upon institutional parity and who will get to teach whose graduate courses in a particular year. There are a host of problems to those kinds of undertaking at a local political level between the universities. So that is one example.

[Traduction]

**M. Blaikie:** Ce n'était pas ma proposition mais celle de quelqu'un d'autre.

**Le président:** M. Weatherhead.

**M. Weatherhead:** Monsieur le président, je sais que nous sommes un peu en retard et que nous avons encore un certain nombre de témoins à entendre, mais je voudrais poser quelques petites questions, car comme je l'ai déjà dit, je crois que les fonds pour l'enseignement postsecondaire sont peut-être dans notre pays ceux qui sont les plus exposés aux compressions et ce, pour bien des raisons. Je crois, par conséquent, qu'il serait utile que notre comité examine cette question d'aussi près que possible. Nous avons entendu parler, en nombreuses occasions, des différentes interprétations des négociations de 1977 sur le Programme de financement des programmes établis et de ce que chacune des parties voulait en retirer. Mais je crois que si nous sommes ici aujourd'hui, c'est pour discuter des changements que l'on pourrait apporter à ce qui c'est passé depuis 1977. Nous ne sommes pas ici pour dire que les ententes de 1977 sont sacro-saintes et ne sauraient être modifiées.

Vous avez mentionné dans votre exposé, professeur Thomas, qu'environ 85 p. 100 du budget des universités était affecté aux salaires, mais qu'il existait des problèmes financiers de gestion interne. Je crois que vous alliez peut-être développer cela un peu plus tard, mais, comme un de nos membres vous l'a dit, nous n'avons guère entendu d'exposés critiquant les divers programmes existants. Sans trop entrer dans les détails, je me demande si vous pourriez nous dire quelques mots des problèmes internes dont vous parliez.

**M. Thomas:** D'accord. Je crains d'avoir à me servir d'exemples locaux. Je ne peux discuter de la situation dans d'autres universités ni surtout dans d'autres provinces.

Nous avons dans notre province trois universités. Certains programmes et certains cours sont donc donnés concurremment dans divers établissements, alors qu'il n'y a pas suffisamment d'étudiants ou que les cours n'en attirent pas suffisamment pour justifier qu'on assure plus d'un programme. On a donc plusieurs programmes et peu d'étudiants d'inscrits dans chacun d'eux. Un certain nombre de tentatives ont été faites pour offrir des programmes conjoints au niveau des études supérieures. Je participe moi-même à un tel programme qui a été couronné de succès. Deux de nos programmes posent les problèmes graves. Tout le monde recommande, particulièrement en Ontario, de rationaliser les programmes en les offrant conjointement entre plusieurs universités, afin pour ainsi dire de réaliser des économies d'échelle.

Mais il est très, très difficile pour les établissements d'enseignement, ayant chacun ses propres problèmes budgétaires, de se réunir et de collaborer, quand ces derniers ne savent pas créer un climat de saine concurrence entre eux et qu'ils tiennent à ce qu'il existe une parité entre eux et qu'en plus, ils ne peuvent pas se mettre d'accord pour choisir celui qui va donner le cours en études supérieures telle ou telle année. Ce genre d'initiatives suscite une foule de problèmes entre les universités, au niveau politique local. Voilà donc un exemple.



[Text]

I mentioned earlier that I think there are programs that exist for a long period of time. Nobody registers in them; they still remain on the books. Universities are not very far along in developing program review and evaluation systems. We are just getting under way at my university a regular systematic review of programs—almost like a sunset law attached to programs, that every five or six years they come up for renewal to see if there is a continuing need for them. But we are just getting under way with that. Whenever that occurs, you ask the question: Who will evaluate the programs? It will likely be the department that sponsors them. Then, who will appraise the evaluation? Can the university administration really tell you whether there is a quality program being offered here and so on.

Again, it is slowness to adapt to changing circumstances and to shift resources and staff. We are slow to retrain people to teach different kinds of subject matter. I am a specialist in federal-provincial relations. It happens to be a hot area now, so I get lots of students. What about a guy teaching Asian politics in my department who has three or four students annually? What do you do with his courses? Do you tell him he should go in and teach Canadian politics? It is very, very hard to tell somebody you have to be retrained now to teach Canadian politics, rather than Chinese politics because there is no more student demand for it.

Those are the kinds of adjustments that have to be made.

**Mr. Weatherhead:** You have mentioned, more than once, that there are no national standards for university spending. Can you elaborate on that? Are you in favour of some sort of standards and what sort of standards would have in mind? Who should enforce them?

**Mr. Thomas:** Well, we have talked about a number of possible things. If you are providing federal funds, should Canadians be denied the right to obtain a university education in any province they wish? Should there be a right for federal representation and full participation in the Council of Ministers of Education? Should the provinces be, in any way, able to direct the use of federal research funds that come into the university, say, through insistence that universities charge a high overhead cost on a research grant from a federal granting institution? The provinces argue that they carry the bulk of the operating expenses of the university and if there are some hidden costs in any research that is funded, the feds should pick that up. But they can really stifle the opportunity of a university to obtain a grant if the province insists or the university administration insists on recovery of the full costs of the overhead of a unit that is sponsoring the research, for example. I do not have a complete list in my mind, Mr. Weatherhead, in response to your question but those are some initial thoughts at least.

[Translation]

J'ai dit tout à l'heure que certains programmes durent selon moi, trop longtemps. Personne ne s'y inscrit mais officiellement, ils demeurent assurés. Les universités ne sont pas très avancées dans la révision des programmes et l'évaluation des systèmes. Dans mon université, nous ne faisons que commencer à réexaminer systématiquement et régulièrement les programmes. C'est comme s'il existait une loi de temporisation régissant les programmes en vertu de laquelle ces derniers devraient être étudiés tous les cinq ou six ans afin de décider s'il est justifié de les maintenir. Mais nous ne faisons que commencer. Chaque fois que cela survient, il se pose la question de savoir qui va faire ces évaluations. C'est en général le département qui les organise. Qui, donc, va juger ces évaluations? La direction de l'université peut-elle vraiment vous dire si dans tel ou tel cas, le programme offert est de qualité.

Là encore, l'université est lente à s'adapter aux changements et à modifier l'affectation du personnel et des ressources. Il nous faut du temps pour recycler les enseignements afin qu'ils puissent enseigner des sujets différents. Je suis moi-même spécialiste en relations fédérales-provinciales. Il s'adonne qu'en ce moment, c'est un sujet brûlant d'actualité, alors j'ai beaucoup d'étudiants. Mais qu'en est-il de ce professeur dans mon département qui donne un cours sur la politique de l'Asie et qui n'a chaque année que trois ou quatre étudiants? Qu'allons-nous faire de ses cours? Devrait-on lui demander d'enseigner la politique canadienne? Il est très, très difficile de dire à quelqu'un: «Vous devez vous recycler pour pouvoir enseigner la politique canadienne plutôt que la politique chinoise parce que ce sujet est plus demandé par les étudiants.

Tel est le genre d'ajustements qu'il faut effectuer.

**M. Weatherhead:** Vous avez mentionné plus d'une fois, qu'il n'existe pas de normes nationales pour les dépenses des universités. Pourriez-vous nous donner plus de détails à ce sujet. Êtes-vous en faveur de l'adoption de normes, et le cas échéant à quelle sorte de normes songez-vous? Qui les mettrait en vigueur?

**M. Thomas:** Bien, nous avons envisagé plusieurs possibilités. Si vous fournissez des fonds fédéraux, peut-on priver les Canadiens du droit de suivre des cours universitaires dans toute province de leur choix? Le gouvernement fédéral devrait-il avoir le droit d'être représenté et de participer à part entière au conseil des ministres de l'Éducation? Les provinces devraient-elles pouvoir, en toutes circonstances, décider de l'usage des fonds fédéraux à la recherche aux universités, en insistant par exemple pour que celles-ci facturent des frais généraux élevés sur une subvention à la recherche provenant d'un organisme fédéral? Les provinces disent qu'elles se chargent des dépenses courantes de l'université et que le gouvernement fédéral devrait assumer tous les faux frais relatifs à une recherche. La province ou l'administration de l'université, si elles insistent pour récupérer la totalité des coûts concernant le service qui parraine la recherche, par exemple, peuvent effectivement enlever à une université la chance d'obtenir une subvention. Je n'ai pas en tête la liste complète me permettant de répondre à votre question, M. Weatherhead, mais c'est au moins une première ébauche.



[Texte]

• 2100

**Mr. Weatherhead:** You have mentioned, I think the lack of visibility of the federal participation in the post-secondary education process. Do you have any ideas briefly what the participation might be, or how we might better improve our participation or our visibility there?

**Mr. Thomas:** Well, it can be such practical things as advertising more effectively the fact that you are involved in the support of higher education. Under DREE general development agreements, and I know the provinces object to this, but in fact there is a requirement, I believe, written into DREE contracts that recognition of the federal contribution be a part of the advertising of the program. Perhaps that could be another condition that would be laid down with the provincial authorities when you are negotiating with them; that in the annual report of the grants commissions or the equivalent organizations in provincial government suitable acknowledgement be made of the federal contribution towards the operational, capital costs and other costs of the university.

I think the council of Ministers of Education meetings should be open with a federal minister present to deflect some of the criticisms that are likely to come. When the provinces get together privately on their own and issue a press release saying that Ottawa is threatening to cut back 1.5 billion and there is no excuse for this, there should be an opportunity for the federal government to respond to that sort of attack on its position. So, those are some preliminary thoughts at least.

**The Chairman:** Professor Thomas, just briefly because we are running late. You mention the fact that these programs were now unconditional. I am sure you realize there have been no changes to the Medical Care Act and the Hospital Insurance and Diagnostic Services Act and those conditions are still there. What has happened is that the mechanism to control that from the federal point of view, has been lifted. Now, let us not spend too much time worrying about what the motives of one government or the other was in 1977. There were 11 intelligent political leaders who were well advised, who signed an agreement. They knew what they were doing. What changed was that the control was shifted from federal government overseeing what the provinces submitted in a claim to the provincial assemblies in their own electorates. That is what changed. So I do not think it is fair to say that there are unconditional programs like equalization, for example, which are meant to be totally at the whim of the provincial assembly that appropriates the money.

**Mr. Thomas:** The point is very well taken, Mr. Breau. I did not want to come to assign guilt or blame in this responsibility in this forum. But I did think that the federal government had to calculate what they were getting in terms of political credit for their actions of funding universities and health and they felt that they were not getting enough. The provinces, I guess, were not willing to give that recognition. But I agree that there

[Traduction]

**M. Weatherhead:** Vous avez signalé, je crois, que la participation du gouvernement fédéral dans le domaine de l'enseignement poste-secondaire n'est pas assez manifeste. Pouvez-vous nous donner quelques exemples sur ce que devrait être cette participation ou sur la façon de l'améliorer ou de la rendre plus évidente?

**M. Thomas:** Eh bien, cela pourrait être quelque chose d'aussi concret que d'essayer de mieux faire connaître votre participation au financement de l'enseignement supérieur. En vertu des dispositions des ententes cadres de développement du MEER, et ce, malgré l'opposition des provinces, il est stipulé, je pense, qu'il faut faire état, dans le cadre de la campagne publicitaire, de la participation du gouvernement fédéral au programme. Cela pourrait être une autre condition à établir avec les autorités provinciales lorsque vous négociez avec elles; peut-être pourrait-on aussi mentionner, de manière appropriée, dans le rapport annuel des commissions des subventions ou des organismes équivalents au niveau provincial, que le gouvernement participe aux dépenses de capital, de fonctionnement ou autres de l'université.

Je crois que les réunions du conseil des ministres de l'Éducation devraient être publiques et qu'on devrait inviter un ministre fédéral à y participer pour qu'il puisse répondre à certaines des critiques qui seraient soulevées. Lorsque les provinces se réunissent en privé et émettent un communiqué de presse indiquant qu'Ottawa menace de réduire sans raison ses crédits de 1.5 milliard de dollars, il conviendrait que le gouvernement fédéral puisse répondre à de telles accusations. Voilà au moins quelques idées préliminaires.

**Le président:** Professeur Thomas, pour résumer, puisque nous manquons de temps, vous signalez que ces programmes ne sont désormais plus assortis de conditions. Je suis certain que vous admettez qu'on n'a pas apporté de changements à la loi sur les soins médicaux, à la loi sur l'assurance-hospitalisation et les services diagnostiques et que ces conditions sont encore en vigueur. Ce qui est arrivé c'est que le mécanisme de contrôle dont disposait le gouvernement fédéral a été supprimé. Ne passons pas trop de temps à nous demander quelles étaient en 1977 les raisons de tel ou tel gouvernement. Cette entente a été signée par 11 chefs politiques intelligents, bien conseillés, qui savaient ce qu'ils faisaient. Ce qui a changé, c'est que le gouvernement fédéral a cessé de vérifier les requêtes provinciales et a perdu le contrôle des programmes au profit des assemblées législatives provinciales qui n'avaient à rendre compte qu'à leurs propres électeurs. C'est ce qui a changé. Il ne me semble donc pas juste de dire qu'il existe des programmes inconditionnels, par exemple, qui sont censés être entièrement laissés au gré de l'assemblée provinciale laquelle affecte les fonds.

**M. Thomas:** Cette remarque est très juste, monsieur Breau. Je ne suis pas venu ici dans l'intention de blâmer quiconque ou de décider qui peut être coupable ou responsable de ce qui est arrivé. Il me semble cependant que le gouvernement fédéral a dû faire le calcul du crédit politique que lui rapporterait le financement des universités et des programmes de santé, et qu'il en est venu à la conclusion que ce n'était pas suffisant. Je

*[Text]*

is in the health field national legislation and that there is the reliance upon universities lobbying their provincial governments; health services, lobbying their provincial governments—protecting themselves in that way. One of the arguments for the universities of course, is that when you have a two-partner relationship, you improve your chances. There is nothing more sophisticated than that. You can lobby with both parties and if you get one of them to agree you can point to that as an argument to be used against the other party to the arrangement. So there is nothing more sophisticated politically than that about the university position or the health services position.

**The Chairman:** What has happened in the health field is that the federal government judged that it would not be wise to go through the process of withdrawing payments because you would have to go through an elaborate examination, first of all, and get into a big hassle about it. The pragmatic judgment was made that that was not worth the effort. That is the only thing that happened there.

• 2105

I have just one final question. You did mention the question of, in the past, was it okay to let provincial governments get the flexibility, but in the future, do you think it is correct to let provincial governments decide this? Do you think it is morally acceptable in Canadian politics to collect money from taxpayers at one level of government and transfer it to another level of government, and they should be free to use this money as they see fit? In the future, do you think this should be changed, or do you think this is a good course for Canada to follow?

**Mr. Thomas:** Well, I think in a way you are asking me if I am a federalist or a provincialist. In my basic loyalties, I am a federalist. I have worked for provincial governments—I do not see it in absolute terms, though. I think there is a way in which you could allow provinces to opt out, take fiscal equivalents and tax points, and still have some conditions met; I do not think it would be an unwarranted infringement upon provincial freedom in many of these fields.

**The Chairman:** Would you agree, without going back to a shared-cost kind of approach—"cost" in the sense of very detailed, and submitting claims and checking them—it would be acceptable and desirable—I mean, acceptable to the provincial governments and desirable from the political point of view—at least to earmark the money in general envelopes; to say you are free to restrain here and if you save a dollar, you will keep it, but you will have to spend the money in that field? For example, if you cut back on the number of doctors or nurses per bed in hospitals or in hospital beds, you will have to spend the money in community clinics or something else. Would you agree with that kind of approach?

*[Translation]*

suppose que les provinces ne voulaient pas qu'il s'arrogue un tel crédit. Mais j'admets qu'il existe une législation nationale dans le domaine de la santé et que c'est sur ça que compte les universités alors qu'elles exercent des pressions auprès de ces mêmes gouvernements, et se protègent ainsi. Bien entendu, ce que se disent les universités, c'est que si l'on a affaire à deux partenaires, on augmente ses chances de succès. Il n'y a là rien de plus sophistiqué. On peut faire de la propagande auprès des deux parties et on se sert du fait qu'on a convaincu l'une pour convaincre l'autre. Politiquement parlant, le point de vue des universités ou celui des services de santé n'est pas plus sophistiqué que ça.

**Le président:** Ce qui s'est passé dans le domaine de la santé, c'est que le gouvernement fédéral a décidé qu'il ne serait pas sage de supprimer les versements, car premièrement cela demanderait une étude détaillée et deuxièmement cela provoquerait pas mal de tracasseries. On a décidé très pragmatiquement que ça n'en valait pas la peine. C'est là tout ce qui est arrivé.

J'ai seulement une dernière question. Vous avez mentionné qu'auparavant, on considérait qu'il était bon de laisser désormais aux gouvernements provinciaux de la souplesse. D'après vous, est-ce bien de leur en laisser la décision? Croyez-vous qu'il soit moralement acceptable, dans le contexte de la vie politique canadienne, de prélever de l'argent des contribuables à un palier du gouvernement et de verser cet argent à un autre palier du gouvernement qui serait libre de l'employer selon son bon vouloir. A votre avis, convient-il de changer cela ou est-ce ainsi qu'il faut agir à l'avenir?

**M. Thomas:** Bien, il me semble que d'une certaine manière, cela revient à me demander si je suis pour le gouvernement fédéral ou pour le gouvernement provincial. D'après mes croyances fondamentales, je suis un fédéraliste. J'ai travaillé pour des gouvernements provinciaux. Je ne vois pas la question en termes absolus même si je crois qu'il y a un moyen de permettre aux provinces de s'exclure de certains programmes, de recevoir des équivalents et des points fiscaux, quitte tout de même à ce qu'elles soient assujetties à certaines conditions; je ne crois pas qu'on empiéterait ainsi, indûment sur l'autonomie provinciale dans plusieurs de ces domaines.

**Le président:** Seriez-vous d'accord pour qu'on retourne à une méthode du genre de la formule à frais partagés, «frais» dans le sens qu'il faudrait énumérer les dépenses en détail, et soumettre des demandes de remboursement qui seraient vérifiées, méthode qui serait acceptable et désirable, si je puis dire, qui conviendrait aux gouvernements provinciaux et serait désirable au moins du point de vue politique. C'est comme d'affecter l'argent à des domaines généraux et libre à vous de pratiquer une politique d'austérité et, au cas où vous économisez un dollar, vous pouvez le garder, à condition toutefois de le dépenser dans le domaine considéré? Par exemple, si vous réduisez le nombre de docteurs ou d'infirmières par lit, ou le nombre de lits, dans les hôpitaux, il faudra que vous affectiez l'argent économisé dans des cliniques communautaires ou à autre chose. Seriez-vous d'accord avec ce point de vue?



[Texte]

**Mr. Thomas:** That, I think, is a compromise between what we have now and the old system. I think it is a highly preferred compromise. I remember writing a paper for the Minister of Finance in Manitoba. I called this the "menu" approach. You list a menu of programs from which the provinces can choose. All of them are eligible for cost sharing, and if they propose to emphasize geriatric services instead of acute-care hospitals, then they can select there. That is the kind of think I think would be more flexible.

One final point, though, on the bureaucratic red tape associated with shared-cost programs. That was a constant provincial complaint, and they made much of the irritation of that. To a large extent, it was the ego of the provincial public servants; including myself, because I wrote many memos of that kind, complaining about the paternalism of the federal officials in Ottawa. But really, it was a minor irritant. I would not make too much of the problems associated with submitting a bill to Ottawa and getting reimbursed for it and making sure you fulfil the auditing requirements. Yes, you chafed a bit under that requirement at times, but to suggest that it was a nightmare, a horrible bureaucratic nightmare, as some of the rhetoric of the provinces is, is an exaggeration, I am afraid.

**Mr. Chairman:** Thank you very much, Professor Thomas, for your presentation. It will be valuable to us in the preparation of our report.

We will now proceed with our next witness, from the University of Manitoba also, Dr. Jack Hildes from the Faculty of Medicine.

We have a copy of your brief, Dr. Hildes. You do not have to read it verbatim for it to be on the record. We have a mechanism by which we can append it to the official record and you can summarize it, if you wish. But it is up to you. Do you wish to summarize it or to read it into the record?

**Dr. J. A. Hildes (Director, Northern Medical Unit, Faculty of Medicine, University of Manitoba):** Mr. Chairman, I think I could speak to it very briefly without reading it.

**The Chairman:** So it is agreed, gentlemen, that we append Dr. Hildes' submission to today's proceedings?

**Some hon. Members:** Agreed.

• 2110

**The Chairman:** Dr. Hildes.

**Dr. Hildes:** If we run through it, Mr. Chairman, on page 2 are my personal credentials, which I will not comment on. I am here certainly not as an expert in fiscal matters. It was rather suggested to me from Ottawa that my experience in the area of health and health care for Canadian native people would be of some interest to this committee.

[Traduction]

**M. Thomas:** C'est là, je crois, un compromis entre l'ancien système et le système actuel. Je crois que plusieurs y sont en faveur. Je me rappelle avoir écrit un exposé pour le ministre des Finances du Manitoba. J'appelle cela la méthode «à la carte». On énumère sur le menu tous les programmes entre lesquels les provinces peuvent choisir. Tous les programmes peuvent être à frais partagés et si les provinces veulent mettre l'accent sur les services gériatriques plutôt que sur les établissements de soins intensifs, libre à elles. C'est une méthode qui, d'après moi, serait plus souple.

Une dernière remarque, toutefois, au sujet des tracasseries administratives qu'on associe aux programmes à frais partagés. C'était un grief constant de la part des provinces, et cela les irritait beaucoup. Ce qui intervenait là, c'était l'amour-propre du fonctionnaire provincial, y compris le mien, car j'ai écrit plusieurs notes de service de ce genre, pour me plaindre du paternalisme des fonctionnaires fédéraux d'Ottawa. En réalité, cependant, ce n'était là qu'un léger ennui. Je ne ferais pas trop grand cas des difficultés auxquelles on se heurte pour présenter une demande de remboursement à Ottawa ou pour obtenir ce remboursement, en respectant toutes les exigences comptables. Oui, on est parfois irrité par ces exigences, mais de là à dire que c'était un cauchemar, un terrible cauchemar bureaucratique, comme l'affirment les provinces en se gargarisant de mots, c'est, je le crois, exagéré.

**Le président:** Merci beaucoup, Professeur Thomas, pour votre exposé. Cela nous aidera beaucoup pour la rédaction de notre rapport.

Nous allons passer à notre prochain témoin, qui est lui aussi de l'Université du Manitoba. Dr Jack Hildes, de la Faculté de médecine.

Nous avons un exemplaire de votre mémoire, Docteur Hildes. Vous n'avez pas à le lire in-extenso, car il sera consigné au compte rendu. En vertu de notre système, il est possible d'annexer les documents au procès-verbal officiel de nos délibérations et vous pouvez le résumer, si vous voulez. C'est comme vous voulez. Préférez-vous en faire le résumé ou le lire?

**Dr. J. A. Hildes (directeur du Département de médecine du Nord, de la Faculté de médecine de l'Université du Manitoba):** Monsieur le Président, je crois que je vais en parler très brièvement, sans le lire.

**Le président:** Êtes-vous donc d'accord, messieurs, pour qu'on annexe le mémoire du Dr Hildes au procès-verbal d'aujourd'hui?

**Des voix:** D'accord.

**Le président:** Docteur Hildes.

**Dr Hildes:** En le feuilletant, monsieur le président, on trouve à la page 2 mon curriculum vitae, sur lequel je passe. Je ne suis certainement pas ici en tant qu'expert fiscal. On a estimé à Ottawa que mon expérience dans le domaine de la santé et des soins médicaux à la population autochtone du Canada serait intéressante pour ce comité.



*[Text]*

I should say that the program which lists me as the Director of the Faculty of Medicine is not right. That is the dean of medicine. I am the director of a very small unit in the Faculty of Medicine, the Northern Medical Unit. The views I have expressed in this paper are not necessarily the university's views. I hope they are not too discordant with the university's views.

The next part of this paper reviews very briefly health care for Indians and Inuit, which I suspect you gentlemen know as much about as I do. There is a little history in there, but you know the federal government, through the Department of Health and Welfare, assumes responsibility for health services to native people. Although the department is Health and Welfare, the welfare comes under another department of the federal government, Indian Affairs.

I think where universities got into the act is indicated on the top of page 4, where the federal Department of Health and Welfare, Medical Services Branch, was finding it increasingly difficult to recruit professionals to look after this fairly large service and they turned to contract services, including the university. I have listed here a number of universities across the country which have contracts with Health and Welfare for this purpose, including the University of Manitoba. We have been in the business of contracting health services for certain designated communities with the federal government for the last 11 or 12 years.

The services provided to native people by Health and Welfare—the standard insured services as we know them in medicare are of course available to native people through the general provincial services. Those are physician services and hospital care. But the federal government also provides a series of noninsured services for native people, and I have listed them on page 5. Medically required transportation, drugs, dental care, eyeglasses, and prosthetic services are the ones usually covered in this, quote, non-insured, unquote services part of the package delivered by health and Welfare Canada to native people.

The arrangements for payments for physicians, of course, are the standard arrangements in most cases, except where native people—and a large number of native people live in remote and relatively inaccessible parts of the country, so that special arrangements have been worked out to provide access to health services. This university, along with other universities, contracts for salaried or daily stipends and other costs for physicians and other personnel required to provide the contracted services. In that case, we are on contract with the federal government. The invoices or claim cards for the insured services—physician services and hospital care—the physician services rendered to individual patients are submit-

*[Translation]*

Je dois préciser que je ne suis pas Directeur de la Faculté de médecine, comme on le dit. Le Directeur est le doyen de notre faculté. Je suis directeur d'une très petite unité de la Faculté de médecine, le Département médical du Nord. Les opinions que j'exprime dans ce document ne sont pas nécessairement celles de l'Université, mais j'ose espérer toutefois qu'elles ne sont pas trop en désaccord avec elles.

La partie suivante du document fait un bref récapitulatif des soins médicaux s'adressant aux Indiens et aux Inuit, ce sur quoi, je suppose, vous en savez autant que moi. On y trouve un petit historique, mais vous savez que c'est le gouvernement fédéral qui assume la responsabilité des services médicaux pour la population autochtone par l'entremise du ministère de la Santé nationale et du Bien-être Social. Bien que le ministère s'appelle ministère de la Santé et du Bien-être Social, c'est un autre ministère du gouvernement fédéral qui assume la responsabilité des questions de bien-être social, celui des Affaires indiennes.

C'est, je crois, en haut de la page 4 qu'on dit quand les universités sont entrées en scène. La Direction générale des Services médicaux du ministère de la Santé et du Bien-être social avait de plus en plus de mal à trouver des professionnels de la santé pour assurer ce service plutôt vaste, et décida donc de donner des contrats de services, y compris aux universités. J'énumère certaines des universités de notre pays y compris celle du Manitoba à qui le gouvernement a adjudgé de tels contrats. Cela fait onze à douze ans que nous exécutons, pour le compte du gouvernement fédéral, des contrats de services pour la prestation de soins médicaux à certaines communautés désignées.

Je parle ici des services spéciaux que le ministère de la Santé nationale et du Bien-être Social, offre à la population autochtone, les services ordinaires couverts par le régime d'assurance, car ce sont évidemment les services généraux de soins de la province qui leur assure les services ordinaires de soins couverts par le régime d'assurance-maladie. Ce sont les services de consultation médicale et d'hospitalisation, mais le gouvernement fédéral fournit aussi une série de services non remboursables à la population autochtone et je les ai énumérés à la page 5; les prestations telles que le transport pour raisons médicales, les médicaments, les soins dentaires, les lunettes et les prothèses qui ne sont normalement pas remboursés sont généralement pris en charge dans le cadre du programme global de prestations à la population autochtone du ministère de la Santé nationale et du Bien-être Social.

La rémunération des médecins est régie, dans la plupart des cas, par les dispositions normales applicables en la matière sauf quand de nombreux autochtones vivent dans des localités éloignées et relativement difficiles d'accès, auquel cas des mesures spéciales sont prises pour leur permettre de bénéficier de services médicaux. Notre université, de même que d'autres universités, s'engagent, aux termes de contrats, à assurer la rémunération de médecins et du personnel soignant et à leur verser des indemnités en contrepartie de la prestation de ces services contractuels. Dans notre cas, nous avons passé notre contrat avec le gouvernement fédéral. Le bureau régional des services médicaux remet les factures ou demandes de rembour-

## [Texte]

ted by the regional office of Medical Services to the appropriate provincial health insuring agency, but the payment is not submitted back to the Medical Services Branch or to the physician but goes to the Receiver General of Canada.

• 2115

Payment for hospitalization is the usual way; the hospital bills the appropriate provincial or territorial insuring agency. And that occurs even when the hospital is owned and operated by the federal government. The usual principles apply when native patients are treated in a jurisdiction other than the one of their residence, when they are out-of-province patients for example. I have quoted an example in our own situation, an Inuit from Eskimo Point treated by a physician from the University of Manitoba travelling to Eskimo Point. The physician's time and expenses are paid under the contract, and the medical services branch invoices the territorial health insurance scheme which pays the Receiver General of Canada. However, if that patient is referred to Churchill or to Winnipeg for admission to an institution, that hospital whose principal budget is derived from the Manitoba Health Services Commission, then has to bill the territorial health insurance scheme for the Northwest Territories, and the funds so received are used to offset the hospital income from the provincial agency.

The payment for non-insured services, such as I listed earlier and included medically-required travel and other non-insured services provided by the federal government, are usually paid directly by the federal government. An example is transportation services.

Now, the next section describes some anomalies in health care to northern natives. The first one I have noted under Item 4.1 asks what is a native person for whom Health and Welfare Canada assumes responsibility? That situation, of course, is not always logical and is not uniform across the country. For example, in Manitoba and in most provinces the critical requirement is treaty status; but in terms of health care, residence may also play some part. But for the Inuit of the Northwest Territories, I am not sure about this but the critical requirement appears to be the perception of a person as an Inuit, but whether that perception is a self-perception or the perception of some bureaucrat I am not sure.

In Newfoundland and Labrador perhaps you have heard in your trip there, the federal government does not provide those services directly as they do in other provinces or territories. As I understand it, they provide to certain designated communities in northern Labrador, most of which have a component of native people, funds which are paid not directly but through the provincial government. So in that situation, there is no

## [Traduction]

sement pour les consultations et soins médicaux et pour les frais d'hospitalisation couverts par l'assurance-maladie, et les visites à domicile, au centre d'assurance-maladie provincial concerné; le remboursement n'est pas fait à la Direction générale des soins médicaux ou au médecin mais il va directement au Receveur Général du Canada.

Les frais d'hospitalisation se paient de la manière habituelle; l'hôpital envoie la facture à l'organisme d'assurance compétent, qu'il soit provincial ou territorial et cela, même quand l'hôpital appartient au gouvernement fédéral et qu'il est administré par lui. Les mêmes principes s'appliquent quand les Autochtones sont soignés ailleurs que dans le territoire de leur résidence, par exemple, quand ils sont hospitalisés hors de leur province. Je vous ai donné un exemple tiré de notre propre expérience—celui d'un Inuk de Eskimo Point soigné par un médecin de l'Université du Manitoba qui s'y était rendu. Les heures de travail du médecin et ses dépenses sont payées aux termes du contrat et la Direction générale des Services médicaux envoie la facture au Régime d'Assurance-maladie du Territoire, lequel paie le Receveur Général du Canada. Si ce patient, cependant, est transféré à Churchill ou à Winnipeg pour être admis dans un centre de soins, cet établissement qui reçoit le gros de son budget de la Commission des services sanitaires du Manitoba, doit donc envoyer la facture au Régime d'Assurance-maladie territorial dans le cas des Territoires du Nord-Ouest et les fonds ainsi perçus servent à compléter les fonds de l'hôpital provenant de l'organisme provincial.

C'est en général le gouvernement fédéral qui paie les services non remboursables dont j'ai parlé tout à l'heure, y compris les déplacements pour traitement médical et autres services dont il assure la prestation.

Maintenant—dans la partie suivante, je parle de certaines anomalies de la prestation des soins médicaux aux Autochtones du nord. La première, qui figure à la rubrique 4.1 pose la question suivante: Comment définit-on un Autochtone pour la prise en charge des frais de santé par le ministère de la Santé nationale et du Bien-être social? Cette définition, évidemment, n'est pas toujours logique et n'est pas uniforme à l'échelle du pays. Au Manitoba, par exemple, ainsi que dans la plupart des provinces, les Autochtones inscrits ont droit à ces prestations; toutefois, pour les frais médicaux le lieu de résidence est parfois également pris en considération. Cependant, pour les Inuit des Territoires du Nord-Ouest, je n'en suis pas certain. Il me semble que ce qui compte c'est si l'on considère que tel ou tel individu est effectivement Inuit mais je ne sais pas si ce qui compte c'est l'avis de l'individu ou celui de quelque fonctionnaire.

A Terre-Neuve et au Labrador, comme vous l'avez peut-être entendu dire quand vous y étiez, le gouvernement fédéral ne fournit pas ces services directement, comme il le fait dans les autres provinces et dans les Territoires. Je crois savoir qu'il fournit ces services à certaines communautés désignées du nord du Labrador qui, pour la plupart, sont en partie peuplées d'Autochtones—et ces fonds sont payés non pas directement



## [Text]

identification of individuals for whom Health and Welfare feel a responsibility; certain communities are just so designated.

Now, in a sense a similar situation applies locally where, under what I have termed it, some long lost but not forgotten agreement, the provincial government looks after the health of Indians in certain areas of the province, such as along the Hudsons Bay railway line; and the federal government looks after not only treaty Indians but non-treaty Indians in certain other northern areas where surface transportation services traditionally are not available, but where the federal government has already established facilities.

Another anomalous situation is that the non-insured benefits referred to earlier are administered differently in different jurisdictions. For example, the Government of Manitoba provides medical transportation under certain specified conditions to Manitobans living above the fifty-third parallel; the federal government provides medically-authorized transportation to all treaty Indians in Manitoba, regardless of latitude. But that is not the situation in Labrador where I am led to believe that free transportation is available only to native people who cannot afford it. Even within a single region of Medical Services Branch there may be differences in non-insured services. Medical services people here tell me that a treaty Indian moving from his reserve into town is treated differently with regard to payment of drugs, and whether he moves to Thompson as compared to Winnipeg. That I presume has something to do with the perceived differences between the degrees of cultural integration to be expected from those two different reserves.

• 2120

On the other hand, there are some provincial insured services. For example, in Manitoba the cost of placement in personal care homes is assumed by the Manitoba Health Services Commission, yet the Medical Services Branch of Health and Welfare Canada does not provide it even to treaty Indians, that being the responsibility of either Indian Affairs or of the provincial government. There are other anomalies that I am sure I know less about, such as in child care, environmental health and, perhaps, a number of other areas which have direct or indirect relevance to health.

This last section, Mr. Chairman, is less factual but, it is my own opinion that the native people of Canada are very concerned over the possibility of the transfer of all responsibility for their health care from the federal authorities to the provinces, because they feel that certain treaty rights to health care are looked after by the federal government. They may be correct in that concern. From my personal experience, I also would have a concern because most provincial governments have what I have stated here to be an underdeveloped sense of

## [Translation]

mais par l'entremise du gouvernement provincial. Dans cette situation, donc, le ministère de la Santé nationale et du Bien-être social ne prend pas en charge telle ou telle personne dont il se sent responsable, mais tous les gens qui habitent dans une communauté désignée.

Maintenant, dans un certain sens, la situation est semblable là où, en vertu de ce que j'ai appelé une entente dont on a perdu la trace mais dont on se souvient, le gouvernement provincial prend en charge les frais de santé des Indiens dans certaines localités de la province, comme le long de la ligne de chemin de fer de la Baie d'Hudson, et le gouvernement fédéral s'occupe non seulement des Indiens inscrits mais aussi des Indiens non-inscrits dans d'autres régions septentrionales traditionnellement inaccessibles par voie de surface où il a déjà construit des installations.

L'autre anomalie, c'est que la prise en charge des prestations non-remboursables dont j'ai parlé tout à l'heure varie selon les juridictions. Par exemple, le gouvernement du Manitoba paie le transport pour fins médicales dans certaines conditions précises aux Manitobains résidant au nord du 53<sup>ème</sup> parallèle; le gouvernement fédéral prend en charge le transport autorisé par docteur à tous les Indiens «inscrits» du Manitoba, quel que soit le degré de latitude. Mais il n'en va pas de même au Labrador, où d'après ce qu'on me dit, seuls les Autochtones indigents ont droit au transport gratuit. Même au sein d'une même région desservie par la Direction générale des Services médicaux, on peut trouver des différences entre les services non-remboursables. Les gens des services médicaux ici m'ont dit qu'un Indien inscrit, qui quitte sa réserve pour aller s'installer en ville est traité différemment pour la prise en charge des médicaments selon qu'il va à Thompson ou à Winnipeg. C'est sans doute parce qu'on estime qu'il y a des différences dans le degré d'intégration culturelle auquel on s'attend, selon que les Indiens viennent d'une réserve ou d'une autre.

D'autre part, les coûts de certains services sont pris en charge par la province. Par exemple, au Manitoba, les frais de résidence dans les établissements pour soins particuliers sont payés par la commission des Services de santé du Manitoba; toutefois, la Direction générale des Services médicaux du Ministère de la santé nationale et du Bien-être social ne fournit pas ce service, même aux Indiens inscrits, car cette responsabilité incombe soit au Ministère des Affaires indiennes soit au gouvernement provincial. Il existe d'autres anomalies avec lesquelles je dois être moins familier, telles que dans le domaine des garderies, de l'hygiène de l'environnement et peut-être dans d'autres domaines ayant un rapport direct ou indirect avec la santé.

Cette dernière partie, monsieur le président, est moins étayée mais personnellement, je pense que les Autochtones du Canada s'inquiètent beaucoup à l'idée que le gouvernement fédéral puisse déléguer aux provinces tout l'autorité qu'il a sur le plan des services de santé, car ils ont l'impression qu'il est du ressort du gouvernement fédéral de voir à leur assurer certains droits à des services médicaux garantis dans les traités. Ils ont peut-être raison de s'inquiéter à ce sujet. D'après mon expérience personnelle, je m'inquièterais aussi à leur place, car la



*[Texte]*

social, cultural, and economic needs of their native minorities. I suppose some provincial people might argue with that. I do not think there is any question in my mind that the native people of northern Canada are largely underprivileged in terms of health education and economic opportunities, and I think that the Medical Services Branch of Health and Welfare Canada have somewhat more sensitivity to those conditions than do provincial departments of health. Of course, that is the reason why Medical Services Branch exists largely.

On the other hand, no matter how much of an effort is made by federal departments towards decentralizing responsibilities, when the chips are down, Ottawa calls the shots. And time and again, it appears that they have great difficulty adjusting to local or regional conditions. A major feeling of my own is that there is a great stumbling block to health care in the lack of participation of native people in their own health care arrangements. And although the Medical Services Branch has a policy of devolution, it is difficult for them to apply it at the local or regional level.

I think perhaps details of federal-provincial fiscal sharing arrangements are of less importance to the health of native people than would be the successful collaboration of both levels of government to involve native people directly in setting priorities for their own health care. I see in Manitoba and I think in other provinces where I have had less experience, that there is not much of that collaboration between the two levels of government with regard to native people. So I am not quite sure what the future policies ought to be. Fiscal arrangements for health care of native people are obviously important, and the challenge is to develop policies flexible enough to avoid or minimize some of those anomalies. But in order to maintain and improve national standards for native health care I think there must be continuing federal involvement, and that involvement must have sufficient leverage to ensure compliance. On the other hand, however, I think it ought to be at arm's length from the responsibility for day-to-day administration of services.

I think the fiscal and policy control of programs should be at the local or regional level, and that native people should be involved in that. Perhaps there needs to be a prestigious national Indian council of health and, perhaps, regional councils of health. If that were to come about, perhaps we would see some progress toward the improvement of the health status of native people of Canada.

**The Chairman:** Thank you, Dr. Hildes, Mr. Loiselle.

• 2125

**M. Loiselle:** Oui. Brièvement, compte tenu du manque de coordination et compte tenu de votre volonté de voir les personnes autochtones définir elles-mêmes quels genres de

*[Traduction]*

plupart des gouvernements provinciaux ont ce que j'appelle ici une perception «sous-développée» des besoins sociaux, culturels et économiques de leurs minorités autochtones. Je suppose que, dans les provinces, certains le contesteraient. Pour moi, il est évident que la population autochtone du nord du Canada est largement défavorisée sur le plan de l'éducation en matière sanitaire et sur le plan des débouchés économiques et je crois que la Direction générale des soins médicaux du ministère de la Santé nationale et du Bien-être social du Canada, est plus sensible à ces conditions que ne le sont les ministères provinciaux de la santé. Évidemment, c'est là la principale raison d'être de la Direction générale des soins médicaux.

D'autre part, indépendamment des efforts que déploient les ministères fédéraux pour décentraliser les responsabilités, en dernier recours, c'est Ottawa qui décide. Or, maintes et maintes fois, on a constaté que ces derniers avaient beaucoup de mal à s'adapter aux conditions locales ou régionales. Le fait que la population autochtone ne participe pas aux arrangements concernant leurs propres services de la santé nuit, j'en suis intimement persuadé, à l'efficacité de ces services. Quoique la Direction générale des Services médicaux ait pour principe de déléguer ses pouvoirs, il lui est difficile de le faire au niveau local ou régional.

Je crois que les détails des ententes fiscales fédérales-provinciales revêtent moins d'importance pour la santé de la population autochtone que l'instauration d'une collaboration efficace entre les deux paliers de gouvernement pour permettre aux Autochtones de participer directement à l'établissement des priorités pour leurs propres services médicaux. D'après ce qui se passe au Manitoba, ainsi que—je crois—dans d'autres provinces à propos desquelles j'ai moins d'expérience, les deux paliers de gouvernement collaborent peu à l'égard des Autochtones. Je ne suis donc pas certain de ce que devrait être la politique future. Les ententes fiscales pour les services sanitaires destinés aux Autochtones sont évidemment importantes et l'élaboration de mesures, permettant d'éviter ou de réduire au maximum ces anomalies, pose un défi. Mais pour maintenir et améliorer les normes nationales à l'égard des services médicaux aux Autochtones, il est nécessaire—je crois—que le gouvernement fédéral continue à y participer, et cette participation doit être assez importante pour que les lignes de conduite soient respectées. D'autre part, il faudrait cependant que le gouvernement fédéral n'ait pas à s'occuper de l'administration quotidienne de ces services.

Je crois que le contrôle fiscal et politique devrait s'exercer au niveau local ou régional, et que les Autochtones devraient y participer. Peut-être qu'il faudrait qu'il y ait un conseil indien national pour la santé, qui soit prestigieux, et peut-être aussi des conseils régionaux pour la santé. Dans ce cas là, il y aurait peut-être des améliorations à l'état de santé des peuples autochtones du Canada.

**Le président:** Je vous remercie, Dr. Hildes. Monsieur Loiselle.

**Mr. Loiselle:** Very briefly, given the present lack of coordination, and given your determination to have the native people define their own needs, would you give any consideration to

*[Text]*

besoins elles ont, est-ce que la formule suivante vous paraîtrait acceptable? C'est-à-dire, dans les paiements de transfert qu'on fait aux provinces pour les services de santé, déduire les montants équivalents à la population indienne; que le gouvernement fédéral conserve ces sommes-là et les ajoute au budget du ministère des Affaires indiennes. Par la suite, le ministère aurait à défrayer les coûts, c'est-à-dire que si un Indien qu'il vienne de n'importe où à travers le pays est hospitalisé à l'hôpital de Winnipeg ou à l'hôpital de Calgary, qu'il soit facturé comme n'importe quel autre patient, mais que ce soit uniquement le ministère des Affaires indiennes qui paie la note. Est-ce que ce serait plus simple de dire: tous les services de santé pour les Indiens, de statut indien, doivent être défrayés par le ministère des Affaires indiennes? Doit-on décider localement si cela relève des hôpitaux fédéraux ou si la personne doit aller dans les institutions provinciales chercher les services de santé dont elle a besoin? Et à ce moment-là, le ministère des Affaires indiennes serait facturé.

**Dr. Hildes:** The Department of Indian Affairs and Northern Development used to operate health services to native people until I think some time in the mid forties, when it was considered to have been so badly administered I suppose that the Indian and Northern Affairs Health Services and Promotion Branch of Health and Welfare was set up. So to revert back to a scheme completely operated and paid for by the department for Indian affairs would seem to me like turning the clock back.

On the other hand, since native people are resident in the provinces and the territories, I see no reason why they should not benefit like anyone else, from the standard insured services that are available there. Where the federal government has a role to play is in ensuring that those services are available to them. It is not a question of the payment. I do not know about the numbers, but I think most treaty Indians and certain of the Inuit live in areas where physicians' services are not as readily available as they are, say, in Winnipeg. So it is the accessibility to those services that is important, rather than the payment of the services once given.

**The Chairman:** Thank you.

**Mr. Blaikie:** Mr. Chairman, I have just one question. Right now, chiefs from all the Indian nations in Canada are meeting in Quebec City to develop further the concept of Indian government. And certainly, this committee has had before it the Federation of Saskatchewan Indians and also the National Indian Brotherhood, during which appearances, the notion of Indian self-government was put forward. We had a proposal put to us with regard to the Canada Assistance Plan whereby moneys ought to be paid directly to Indian governments who would then be responsible for their own social services. So I was wondering with respect to health care, whether or not you would favour or have any comment on the idea of native people not being allowed just to participate in the direction of health care by whatever level of government jurisdiction native health care eventually ends up in, but whether or not you

*[Translation]*

the following proposal? The idea would be to deduct from transfer payments made to the provinces for health services, the amounts accruing from the Indian population. The money would stay with the federal government and be added to the Indian Affairs Department budget. This Department would in turn assume all the costs. For instance, if an Indian person, wherever he comes from, is hospitalised in Winnipeg or in Calgary, he would be billed like any other patient, but the bill would be paid exclusively and entirely by the Indian Affairs Department. Would it be simpler to say: All health services to status Indians are assumed by the Department? Do we have to decide at the local level whether the case belongs to federal hospitals or whether the individual must approach provincial institutions to get the health services he or she needs? And in that case, the Indian Affairs Department would be billed.

**Dr Hildes:** Les services de santé aux autochtones ont été assurés par le Ministère des Affaires Indiennes et du Nord jusqu'au milieu des années 40. A cette époque, on a décidé qu'ils étaient mal administrés, et on a créé la Direction générale des services et de la promotion de la santé au ministère de la santé et du Bien-être social. Il me semble donc que ce serait faire un retour en arrière que d'en revenir à un système entièrement administré et financé par le Ministère des Affaires Indiennes.

Par ailleurs, étant donné que les autochtones résident dans les provinces et dans les territoires, je ne vois pas pourquoi ils ne pourraient pas bénéficier des services normaux qui y sont assurés, comme tous les autres résidents. Là où le gouvernement fédéral a un rôle à jouer, c'est de s'assurer que ces services sont effectivement mis à leur disposition. Ce n'est pas une question de paiements. Je ne connais pas les chiffres mais je ne pense pas me tromper en disant que la plupart des Indiens statutaires, et certains des Inuits, vivent dans des régions où les services des médecins ne sont pas aussi immédiatement disponibles qu'à Winnipeg par exemple. Il me semble donc que c'est surtout la disponibilité de ces services qui est importante, davantage que la question du paiement des services administrés.

**Le président:** Je vous remercie.

**M. Blaikie:** Monsieur le Président, j'ai une seule question. A l'heure actuelle, les chefs de toutes les nations indiennes du Canada sont réunis dans la ville de Québec, pour élaborer le concept d'un gouvernement indien. Ce comité a certainement entendu le témoignage de la Fédération des Indiens de la Saskatchewan, et celui de la Fraternité Nationale des Indiens, et les membres se souviennent qu'en ces deux occasions, la notion de gouvernement Indien autonome a été évoquée. Nous avons entendu une suggestion relative au Plan D'Assistance du Canada, selon laquelle l'argent serait versé directement aux gouvernements Indiens, lesquels auraient la responsabilité de leurs propres services sociaux. La question que je me pose donc à propos des services de santé, c'est de savoir comment vous réagissez à l'idée que les autochtones puissent non seulement participer à l'orientation des soins de santé fournis par tel ou



[Texte]

would see it evolving to a point where native people would have direct control over their own health care institutions, their own health services, as the way to go.

• 2130

**Dr. Hildes:** I am not sure I completely understand that. I am suggesting that participation through advisory boards or committees does not work. I think local people have to have a really important controlling area, an important influence in their own affairs, just as community hospitals have boards which get funds from, in most cases, their provincial government, but the use of those funds and how they operate their health centre, what kind of services and the range of services they provide, and where they can get extra funds for noninsured services, are entirely in their hands. I am suggesting the same should apply not only to the funds for insured services, which are cost shared, but also to the special funds designated for the so-called non-insured programs, such as transportation.

**Mr. Blaikie:** When you are talking about local control, thinking in the context of a reserve, you are talking about band control; but do you see the band council relating to either a federal or a provincial agency, or do you see it relating to a higher level of Indian government, which would receive funds presumably from the federal government and then administer them down to the band level? Or do you see direct native control only coming in at the band level, for instance—when we are talking about reserves anyway?

**Dr. Hildes:** I think that will vary with the circumstances. For example, I think of the Island Lake area of Manitoba, in which there are four bands which form—I do not know that it is official, but they form what I might consider to be a tribal council. They have a similar language, similar customs, a common transportation service, and they are only a few miles apart. In that case, I think there would be some advantages to regionalizing the services they will have a hand in providing.

When it comes down to individual bands, I think individual bands should in fact, perhaps with some advice and help at the professional level, hire their own nurses, for example. At the present time the nurses for those bands are hired by the federal government. There are certain advantages and controls over that, but the local band feel they are receivers of services rather than participants in providing service. I personally do not subscribe to the idea that there should be two national governments in Canada, an Indian government in addition to the Parliament of Canada; but that is only my own opinion.

**The Chairman:** Thank you very much, Dr. Hildes, for your contribution. It will certainly be valuable to us in the preparation of our report and in our deliberations. Thank you.

We will now continue, and I would ask Dr. John Horne from the Department of Social and Preventive Medicine, the Faculty of Medicine of the University of Manitoba, to please come forward.

[Traduction]

tel niveau de gouvernement, mais également en arriver à contrôler directement leurs propres institutions, leurs propres services de santé.

**Dr Hildes:** Je ne suis pas sûr de bien comprendre. Ce que je suis en train de dire, c'est que la participation par l'intermédiaire de conseils ou de comités consultatifs ne marche pas. A mon avis, les gens au niveau local doivent avoir un contrôle réel, une influence substantielle dans la gestion de leurs propres affaires, de la même façon que les hôpitaux communautaires ont des conseils qui obtiennent des fonds, du gouvernement provincial en général, mais qui déterminent entièrement comment ces fonds sont utilisés, qui décident comment gérer le centre sanitaire, quels services y offrir, et où aller chercher les fonds supplémentaires pour financer les services non-assurés. Il me semble qu'on devrait faire la même chose non seulement pour les fonds destinés aux services assurés, qui sont à coûts partagés, mais aussi pour les fonds spéciaux destinés à ce que l'on appelle les programmes non assurés, tel que le transport.

**M. Blaikie:** Lorsque vous parlez de contrôle au niveau local, dans le contexte d'une réserve, vous parlez du contrôle de la bande; mais à votre avis est-ce que le conseil de bande devrait traiter avec une agence gouvernementale fédérale ou provinciale, ou avec un niveau supérieur de gouvernement qui, lui, recevrait les fonds, sans doute du gouvernement fédéral, et les distribueraient ensuite aux différentes bandes, ou pensez-vous que le contrôle direct par les autochtones devrait survenir uniquement au niveau de la bande, par exemple quand nous parlons des réserves?

**Dr Hildes:** Je pense que ça dépendra des circonstances. Je pense par exemple à la région de Island Lake au Manitoba, où il y a quatre bandes qui constituent ce que l'on pourrait appeler un conseil de tribu (je ne sais pas si c'est très officiel). Ils ont tous la même langue, les mêmes coutumes, un service de transport commun, et ils ne sont qu'à quelques miles les uns des autres. Dans ce cas particulier, il y aurait des avantages certains à régionaliser les services qu'ils auront à fournir.

En ce qui concerne les bandes individuelles, il me semble que certaines d'entr'elles devraient engager leurs propres infirmières par exemple, peut-être avec les conseils d'un professionnel. A l'heure actuelle, les infirmières sont engagées par le gouvernement fédéral. Cela présente certains avantages, mais la bande a l'impression non pas de participer à assurer des services, mais d'en être seulement les récipiendaires. Je ne souscris pas à l'idée qu'il doive y avoir deux gouvernements nationaux au Canada, un gouvernement Indien venant s'ajouter au Parlement du Canada, mais ce n'est qu'une opinion.

**Le président:** Je vous remercie de votre contribution, Dr Hildes. Elle nous sera très utile lors de nos délibérations et lors de la rédaction de notre rapport. Merci encore.

Nous allons continuer, et j'aimerais demander au Dr John Horne, du département de Médecine sociale et préventive de la Faculté de Médecine de l'Université du Manitoba, de venir prendre place.



*[Text]*

Dr. Horne, we did not receive a brief from you. I take it you have some opening remarks you would like to make, and then we will go on to questioning.

**Dr. John Horne (Department of Social and Preventive Medicine, Faculty of Medicine, University of Manitoba):** Thank you, Mr. Chairman. I apologize for the fact that you do not have a written statement from me. In part it is because of the lateness of the request, which I fully understand, from your committee. I only heard of your desire to hear my views late last week, and I had made some domestic commitments to the long weekend, which left today to put my head together. So I have some hand written comments I would like, with your permission, essentially to read. I know this necessarily runs the risk of putting some of you or all of you to sleep, but I think it would be the best way for me to keep within my suggested 15-minute guidelines for an opening statement, the remaining time of which, or after which, we can allocate to questions, as necessary.

• 2135

In my brief prepared remarks, I intend to address three separate but related topics relevant to the task force's specific concern with federal-provincial cost-sharing of health care in Canada. I have resisted, I might add parenthetically, the strong temptation to speak strongly about post-secondary education, because apart from being a health economist, I am a member of the University of Manitoba, which as some of you I hope by now know is at risk of losing something close to \$40 million in the event of a major shortfall in the social affairs envelope. Nevertheless, Professor Thomas, I would guess, has amply emphasized those themes.

The three topics I really would like to spend time on are first, the over-all level of health expenditures in Canada, and associated allegations of under-funding; secondly the issue of the effects of EPF on provincial health policies; and thirdly, the challenge of defining an appropriate role for the federal government in health care.

On the topic of health-care expenditure and allegations of under-funding, the major point I would like to make is that the prevailing level of support for health care makes it very difficult to substantiate any claim of generalized under-funding. In 1978, regrettably the most recent year for which we have official data, total public and private expenditures on health care amounted to \$16.2 billion, or approximately \$700 for every person in Canada, spread over a population of 23 million. This represented a little over 7 per cent of the GNP of that year. Since this measure is frequently cited by those who claim under-funding, it is well to place it in both historical and international perspective.

Viewed over the last two decades, the health share of GNP increased from about 5.5 per cent to 7.0 per cent of GNP. The peak year was 1971, when the figure reached 7.3 per cent. Failure to maintain this level throughout the 70's might be cause for retrospective concern, had the record clearly indicat-

*[Translation]*

Dr. Horne, vous ne nous avez fait parvenir aucun document, et j'en conclus que vous voulez faire quelques remarques d'ouverture, avant de passer aux questions.

**Dr. John Horne (département de médecine sociale et préventive, Faculté de médecine, Université du Manitoba):** Je vous remercie, Monsieur le Président. Je m'excuse de ne pas vous avoir fait parvenir de déclaration écrite. C'est en partie du au fait que la requête de votre comité est arrivée très tard, ce que je comprend fort bien. Ce n'est qu'à la fin de la semaine dernière que j'ai appris que vous vouliez me voir comparaître, j'avais pris des engagements familiaux pour la longue fin de semaine, ce qui ne m'a laissé qu'aujourd'hui pour organiser ma pensée. J'ai donc quelques commentaires, écrits à la main, que j'aimerais lire, avec votre permission. Je réalise que ça risque d'endormir tout le monde mais je pense que c'est le meilleur moyen pour que je respecte le délai de quinze minutes qui m'a été accordé pour ma déclaration d'ouverture, après quoi nous pourrions passer aux questions.

Dans ces brèves remarques, j'aimerais traiter de trois sujets distincts mais reliés, qui sont pertinents aux questions que se pose ce groupe de travail à propos du partage des coûts des soins de santé au Canada. Je voudrais ajouter entre parenthèses que j'ai résisté à la tentation de parler d'éducation post-secondaire parce que, en plus d'être un économiste de la santé, je suis membre de l'Université du Manitoba, laquelle, comme certains d'entre vous le savent sans doute, risque de perdre quelque chose de l'ordre de 40 millions de dollars s'il y a une réduction importante de l'enveloppe des affaires sociales. Cependant, j'imagine que le Professeur Thomas s'est amplement étendu sur ce thème.

Les trois sujets dont je voudrais vraiment traiter aujourd'hui sont tout d'abord le niveau global des dépenses de santé au Canada, et les allégations de sous-financement y afférentes; deuxièmement, la question de déterminer les conséquences de EPF sur les politiques de la santé des provinces; et troisièmement, le défi d'arriver à définir quel devrait être le rôle du gouvernement fédéral dans le domaine des soins de santé.

A propos des dépenses pour les soins de santé, et des allégations de sous-financement, ce que je voudrais dire surtout c'est qu'il est très difficile de soutenir ces allégations étant donné le niveau actuel des dépenses de santé. En 1978, qui est malheureusement la dernière année pour laquelle nous ayons des données officielles, l'ensemble des dépenses de santé, privées et publiques, se sont élevées à 16.2 milliards de dollars, ce qui représente environ 700 dollars par personne, sur une population de 23 millions. Ceci représentait un peu plus de 7 pour cent du PNB de cette année-là. Étant donné que cette proportion est fréquemment mentionnée par ceux qui prétendent qu'il y a sous-financement, il est bon de la replacer dans un contexte historique et international.

Si l'on considère les deux dernières décennies, on constate que la proportion du PNB consacrée aux soins de santé est passée d'environ 5.5 p. 100 à 7.00 p. 100, avec un maximum de 7.3 p. 100 atteint en 1971. Il y aurait eu lieu de s'inquiéter rétrospectivement, si ce niveau de dépenses n'avait pas été

## [Texte]

ed that health benefits had grown in proportion to health costs. However, it is widely acknowledged that no such correspondence exists, and that on the contrary there are diminishing returns; in particular, diminishing returns to further increments in health spending. This of course is particularly evident in the treatment of existing acute illnesses, which we traditionally emphasize in our hospital and medical care programs.

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Moreover, the international evidence provides no evidence for the under-funding argument generally defined and specified. Thus it has never been shown or even seriously argued that the health status of the British people has been significantly impaired by the fact that that country allocates less than 6 per cent of its GNP to health care. Nor has it ever been convincingly argued that Americans are any better off in health terms simply because their health share of GNP has exceeded the Canadian figure for at least the last decade and has currently reached the lofty heights of 9 to 10 per cent. The plain fact of the matter is that wide variations in health care spending do not produce wide variations in population health status.

It is doubly difficult to put much credence in the under-funding argument when the Canadian data are viewed at closer range. Thus figures contained in Mr. Justice Hall's recent report generate the image of a well bedded, well doctored nation. In 1978, he reports, there were 14.5 beds in hospitals and special care homes for every 1000 Canadians, a figure well within the international range, and as well, substantial numbers of physicians. Indeed, the steady improvement in the population-physician ratio over the last two decades, indeed through the entire post-war period, has produced a concern that the current level—and he was then reporting for 1978 data—of 559 persons per active civilian physician, including interns and residents, has overshot the mark, and a doctor surplus is already upon us. Indeed, when one examines the underfunding argument, articulated by the Canadian Medical Association in its brief to Mr. Justice Hall, it becomes apparent that the concern is less with the health care system at large than it is with the medicare program and, in particular, with the problem of achieving target practice incomes in the face of fee restraints imposed by provincial governments and the continuously expanding numbers of private practitioners. Thus defined, the underfunding problem invites solutions along lines specified by Mr. Justice Hall, namely, to devise means of providing physicians with "adequate compensation" without at the same time eroding the principles of the medicare program—especially the principle of equal access to medical care on uniform financial terms and conditions. In my view, his twin recommendations, that free disputes between provincial medical associations and provincial governments be resolved through binding and final arbitration and that physicians be denied by law the right to extra bill their patients, would, if implemented, constitute a beneficial departure from the status quo.

## [Traduction]

maintenu au cours des années 70, et si les bénéfices de santé avaient augmenté proportionnellement aux coûts de santé. Cependant, tout le monde est d'accord pour reconnaître que tel n'est pas le cas, et que bien au contraire les rendements sont non proportionnels, surtout en ce qui concerne les nouvelles augmentations des dépenses de santé. Ceci bien sûr est particulièrement mis en évidence dans le traitement des maladies aiguës, sur lesquelles on insiste toujours beaucoup dans nos programmes de soins médicaux et hospitaliers.

De plus, les comparaisons internationales n'apportent aucun argument en faveur de la théorie du sous-financement, tel qu'il est généralement défini. Par exemple, on n'a jamais démontré ni même soutenu sérieusement que le statut de santé des Britanniques ait été altéré du fait que ce pays consacre moins de 6 p. 100 de son PNB aux soins de santé. On ne peut pas affirmer non plus que les Américains jouissent d'un état de santé meilleur que le nôtre simplement parce que la proportion du PNB qu'il consacrent aux soins de santé dépasse la nôtre depuis une dizaine d'années, et parce qu'elle atteint présentement 9 ou 10 p. 100.

La vérité dans tout cela, c'est qu'on n'apporte pas de grands changements à l'état de santé d'une population quand on fait varier le niveau des dépenses en soins de santé. Il est doublement difficile de donner foi à l'argument du sous-financement quand on examine de plus près les données canadiennes. Ainsi, selon les chiffres publiés dans le récent rapport du Juge Hall, nous présentons l'image d'un pays bien équipé et bien soigné. Il rapporte qu'en 1978, il y avait 14.5 lits pour mille Canadiens dans les hôpitaux et les institutions de soins spécialisés, ce qui est un chiffre très honorable par comparaison aux autres pays; Il rapporte également un nombre substantiel de médecins puisqu'il y avait un médecin pour 559 personnes en 1978. En fait, le rapport population-médecin s'est tellement amélioré durant les deux dernières décennies, et en fait depuis la seconde guerre mondiale, qu'on commence à s'inquiéter et qu'on risque de connaître un surplus de médecins dans ce pays. En effet, quand on examine l'argument du sous-financement, tel qu'il a été présenté par l'Association Médicale du Canada dans son mémoire au Juge Hall, on s'aperçoit qu'il porte moins sur l'ensemble du système de soins de santé, que sur le programme de medicare, et en particulier sur le problème de comment arriver à maintenir un certain niveau de revenu étant données les contraintes imposées par les gouvernements provinciaux sur les honoraires, et le nombre toujours croissant des pratiques privées. Ainsi défini, le problème du sous-financement invite à trouver des solutions du genre qui ont été spécifiées par le Juge Hall c'est-à-dire à trouver des moyens de fournir aux médecins des compensations adéquates sans pour autant entamer le principe du programme de medicare, et surtout le principe d'accès aux soins médicaux selon des conditions et des termes financiers identiques. A mon avis, ces deux recommandations conjointes constitueraient une amélioration certaine par rapport au statu quo si elles étaient mises en pratique. Il s'agit d'une part que les conflits entre les associa-



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I might add on this point that nothing I have said so far should be construed as an argument for taking the whole of the \$1.5 million that the Minister of Finance would like to secure in the social affairs envelope from health spending. It is an argument rather that we should not massively infuse new money into the system in the hopes of achieving some unspecified gains that might be accruing south of the border simply because of the rather substantially greater sums being spent there.

I might add as well that based on 1978 figures, to add 1 per cent of GNP to health care would require about \$2.3 billion. To achieve the current 9 per cent levels of health care spending in the United States, we are talking then in 1978 dollars of something like \$4.6 billion incremental health spending. I do not think there is a strong argument for that.

On the second topic, the effects of EPF on provincial health policies, members of this task force are doubtless aware that Mr. Justice Hall devoted considerable energies to the question of whether provincial governments were funding health care at a level consistent with the legal letter of EPF. I do not intend to review the facts on which he based his conclusion that the provinces were not "diverting federal funds away from their intended or deemed health purposes."

What we learned from our particular exercise it seems to me, at least, and the events leading up to it, was that the public gained very little except for the confusion from the war of numbers that was waged by the provincial and federal governments in the unseemly view of all the media.

While a permanent truce is unlikely to occur, especially with the EPF renegotiations about to begin, it would be nice if both levels of government agreed to do battle on more fertile ground than the front page of the *Globe and Mail* or the lead slot of "The World at Six". Thus there must be an effort to establish agreement on matters of fact, respecting the federal and provincial contributions and a related effort to reconstruct the data base that was aborted with the shift from 50-50 to block funding.

Beyond this, it is imperative, again in my view, that systematic attempts be made to fairly and objectively phrase the effect of EPF on provincial health policies—quite apart from the numbers issue. In particular, since one of the principal rationales for EPF was the increased flexibility it afforded the provinces in allocating resources to and within the health sector, it is surely important to determine whether some, all, or none of the provinces have developed new programs and policies as a consequence of EPF.

[Translation]

tions médicales provinciales et les gouvernements provinciaux soient résolus par arbitrage final et obligatoire, et d'autre part que la loi interdise aux médecins de faire payer un supplément à leurs patients.

J'aimerais souligner au passage que rien de ce que j'ai dit jusqu'à présent ne pourrait être utilisé pour justifier de prendre l'ensemble du million et demi de dollars que le ministre des finances voudrait garantir dans l'enveloppe des affaires sociales, provenant des dépenses de santé. Ce que j'ai dit devrait plutôt servir à démontrer que nous devrions éviter de faire des injections massives d'argent dans le système, dans l'espoir de réaliser quelques gains indéterminés et qui pourraient bénéficier aux États-Unis, simplement parce que ce pays dépense bien davantage.

Je devrais souligner également qu'en prenant les chiffres de 1978 comme base, il faudrait 2.3 milliards de dollars pour augmenter d'un pour cent la proportion du PNB consacrée aux soins de santé. Et si on voulait imiter les États-Unis et réserver 9 p. 100 du PNB aux soins de santé, il faudrait augmenter de 4.6 milliards les dépenses de santé en dollars de 1978. Et je ne crois pas qu'on puisse soutenir un tel argument.

Si nous passons maintenant au deuxième sujet que je voulais aborder ce soir, soit les conséquences du financement des programmes établis sur les politiques provinciales de la santé: Les membres de ce groupe de travail savent sans doute que le Juge Hall a consacré beaucoup d'énergie à tenter d'établir si les gouvernements provinciaux assuraient aux soins de santé un niveau de financement compatible avec la lettre de la loi. Je n'ai pas l'intention de passer en revue les faits qui l'amènent à conclure que les provinces ne détournent pas les fonds fédéraux de leur objectifs.

Ce que cet exercice nous a enseigné, et il semble que le cours des événements vienne le confirmer, c'est que le public n'a pas gagné grand chose dans la confusion de la guerre des nombres à la laquelle se sont livrés les gouvernements fédéral et provinciaux sous les yeux de tous les média d'information.

Il est peu probable qu'on en arrive à une trêve durable d'autant moins qu'on est à la veille de renégocier le financement des programmes établis. Mais il serait bon que les deux niveaux de gouvernement tombent d'accord pour s'affronter ailleurs que sur la première page du *Globe and Mail* ou en première nouvelle du «World at Six». Il faudrait arriver à s'entendre sur les questions de faits en respectant les contributions fédérales et provinciales, et à reconstruire la base de données qui avait avorté lorsque le financement à coûts partagés avait été abandonné.

Après quoi, il me semble impératif de définir de façon systématique et objective les conséquences du financement des programmes établis sur les politiques de santé des provinces indépendamment de la question des nombres. En particulier, étant donné que l'une des principales raisons d'être du financement des programmes établis avait été d'augmenter la flexibilité des provinces en allouant des ressources dans le secteur de la santé, il me paraît important de déterminer s'il y a des provinces qui ont mis sur pied de nouveaux programmes, du fait du Financement des programmes établis. Le fait est que



[Texte]

Here the plain fact of the matter is that we do not know whether EPF has had the intended effect or not. A distinct possibility is that in some provinces it simply reinforced shifts in policy initiatives during the years of 50-50 cost sharing. The provinces were liable for 100 per cent of the cost incurred outside the narrowly defined hospital and medical care programs. So there is a risk it seems to me, of an after-the-fact, therefore, because of this kind of fallacy. That if we see some of these developments occurring in the home care or personal home care area, that if we are not careful to date these provincial initiatives, we will end up ascribing these developments to EPF when in fact the essential forces were well under way prior to April, 1977. That, I might add, is a relevant fact in the Province of Manitoba where the two programs I mentioned were implemented and operational well before that date.

• 2145

The third topic, the challenge of defining an appropriate role for the federal government in health care. It is implicit in this wording that it has the centralist bias of someone who believes the federal government must continue to play an active role in health care and I confess to that bias right now. Thus, whatever the outcome of the constitutional debate over division of powers and regardless of the apparent federal enthusiasm to align spending and taxing authority at the provincial level, it seems clear to me that the health care system is better off, not worse off, with significant federal involvement and or intervention.

Prior to EPF the image was one of a national system with relatively homogeneous features coast to coast. Often one had to remind oneself that legally and constitutionally these were separate provincial and territorial systems. Since EPF this image has been arguably reversed and fragmented to the point that now we often have to remind ourselves that health remains a matter of both federal finance and national concern, and so it should remain in my view. In this regard, I believe that the federal lever used to influence and direct provincial health priorities is precariously close to becoming unattached under the current provisions of EPF. To be sure, the cash contributions are significant and any threat of their being cut off for provincial failure to maintain the essential principles of public universal insurance would doubtless elicit some compliant changes of provincial mind. But any further shortening of the lever would inevitably and logically promote provincial indifference to federal preferences. Thus, in my view, the most appropriate and desirable outcome of EPF renegotiations would be an elimination of block funding and a generalized system of 50-50 cost-sharing free of the rigidities and financial uncertainties which characterize the old 50-50 scheme. One which provided for the co-funding of all health programs, not just hospital and medical care.

[Traduction]

nous ne savons pas si le financement des programmes a eu ou pas les effets prévus.

Il est très possible que dans certaines provinces, il ait simplement renforcé les changements de politiques pendant les années où le partage des coûts encourus se faisait à 50-50. Les provinces devaient assumer la totalité des coûts encourus en dehors des programmes médicaux et hospitaliers, lesquels étaient définis très étroitement. C'est pourquoi il me semble qu'on risque de tirer des conclusions a posteriori, à cause de ce genre de faux raisonnement. Par exemple, on observe certains développements dans le domaine des soins à la maison, et si on ne note pas précisément la date de l'initiative provinciale, on risque d'attribuer ces développements au financement des programmes établis alors que leur mise sur pied était déjà bien engagée avant le mois d'avril 1977. C'est incidemment ce qui s'est passé au Manitoba où ces deux programmes avaient été mis sur pied et fonctionnaient bien avant cette date.

Le troisième sujet que je voudrais aborder, c'est la difficulté d'arriver à définir quel devrait être le rôle du gouvernement fédéral dans le domaine de la santé. Le choix même des mots indique un biais centraliste, et je dois admettre tout de suite que je suis d'avis que le gouvernement fédéral doit continuer à jouer un rôle actif dans le domaine des soins de santé au Canada. Ainsi, quelle que soit l'issue du débat constitutionnel sur le partage des pouvoirs, et quel que soit l'enthousiasme fédéral à faire coïncider le pouvoir de dépenser et le pouvoir de lever des taxes au niveau provincial, il me semble évident que le système des soins de santé se porte mieux lorsqu'il y a une implication et/ou une intervention substantielle du fédéral.

Avant le financement des programmes établis, on projetait l'image d'un système national relativement homogène d'une côte à l'autre. Il fallait souvent se souvenir que légalement et constitutionnellement il s'agissait de systèmes provinciaux et territoriaux séparés. Depuis l'instauration du financement des programmes établis, l'image a été renversée et fragmentée au point qu'à l'heure actuelle il faut souvent se souvenir que le domaine de la santé relève toujours des finances fédérales et demeure toujours un sujet d'intérêt national, et à mon avis c'est une question sur laquelle on ne devrait pas revenir. À cet égard, il me semble que le levier utilisé par le gouvernement fédéral pour influencer et orienter les priorités des provinces en matière de santé s'approche dangereusement d'être détaché selon les provisions actuelles du financement des programmes établis. Bien sûr les contributions en espèces sont considérables, et une province qui ne maintient pas les principes essentiels de l'assurance publique et universelle changerait rapidement d'avis si on menaçait de couper ces contributions. Mais on ne peut pas raccourcir encore le levier sans entraîner inévitablement l'indifférence des provinces aux désirs du fédéral. Par conséquent, à mon avis, le résultat le plus approprié des renégociations du financement des programmes établis serait d'éliminer le financement en bloc et de le remplacer par un système à coûts partagés à 50-50, généralisé, et libéré des rigidités et des incertitudes financières qui caractérisaient

[Text]

This is parenthetically almost identical to the menu approach that Professor Thomas discussed with you in the question period on his presentation. Such a system, it is important to point out, was in fact advocated by several of the provinces during the course of negotiations leading up to EPF. Manitoba, Saskatchewan and B.C., I believe—certainly in 1974, strongly pressed this particular position and they did so on the logical grounds, again in my view, that it would achieve all or most of the flexibility inherent in EPF while at the same time maintaining the accountability and clear responsibility to maintain national minimum standards peculiar to the 50-50 formula. Moreover, such a scheme would minimize and even possibly avoid the capricious annual changes in provincial health policy widely suspected to be taking place under EPF. I say, “suspected” because here again the record is very unclear and it seems to me that we really do have to undertake a much more systematic investigation of EPF and its consequences.

It might be suggested by some that the movement in the opposite direction, i.e. elimination of the federal cash contributions and an exclusive reliance on unconditional tax transfers to the provinces, would not be all that bad so long as the feds maintained an interest in health matters through a high profile health council of Canada or some such national body with a mandate to advise, deliberate and review health matters. While I, too, believe such an organization might play a highly useful role, I think it equally important that the council's impact or any variant thereof is likely to be negligible in the absence of conditional transfers from the federal to provincial governments.

To conclude on a somewhat more optimistic note, I think it is significant that more often than not the principal co-financiers of health care in this country have fought harder and longer over who should take credit for program successes than who should take blame for program failures, and it seems to me the reason for this is simple enough and that is that the successes have outnumbered the failures very significantly and by a wide margin.

Thank you very much.

**The Chairman:** Thank you, Dr. Horne.

Mr. Weatherhead, do you have any questions?

• 2150

**Mr. Weatherhead:** Well, Mr. Chairman, I think it is refreshing to be in Winnipeg and to hear some new views, I may say, for a change, than the views we have been hearing around the country to date. We have heard mainly, as had been said earlier this evening, from organizations and interest groups who are stressing the excellencies of their programs and the need for more money, the fact that they can not afford any

[Translation]

l'ancien système à 50-50. Le nouveau système assurerait le co-financement de tous les programmes de santé, et pas seulement les soins médicaux et hospitaliers.

Entre parenthèse, il s'agit là d'un système presque identique au système à la carte que le Professeur Thomas vous a décrit durant la période des questions qui a suivi sa présentation. Il est important de souligner que plusieurs provinces se sont prononcées en faveur d'un système de ce genre lors des négociations qui ont amené au financement des programmes établis. En 1974, le Manitoba, la Saskatchewan, et la Colombie Britannique, je crois, se sont prononcées en faveur de ce système, en faisant valoir, très logiquement me semble-t-il, qu'il aurait à peu près le même degré de flexibilité que le système de financement des programmes établis, tout en maintenant conservant le principe de la responsabilité explicite de maintenir des normes nationales minimum, comme dans l'ancien système 50-50. De plus, ce système minimiserait, et supprimerait peut-être même, les changements capricieux des politiques de santé provinciales qu'on soupçonne de survenir dans le système actuel. Je dis “qu'on soupçonne” parce qu'encore une fois, ce n'est pas clair, et il me semble qu'il faut entreprendre une enquête beaucoup plus systématique des conséquences du système de financement des programmes établis.

Certains suggéreront peut-être que la tendance dans les sens opposés c'est à dire vers l'élimination des contributions en espèces du fédéral, et un financement assuré par des transferts d'impôts inconditionnel aux provinces, aurait bien des avantages à condition que le fédéral soutienne l'intérêt qu'il porte aux questions relatives à la santé par l'intermédiaire d'un Conseil Canadien de la Santé qui aurait une grande visibilité, ou d'un organisme du même genre dont le mandat serait de conseiller, de délibérer et de réviser les questions de santé. Je pense qu'une telle organisation a un rôle très utile à jouer, mais il me semble qu'il est tout aussi important de réaliser que l'impact d'un tel organisme serait négligeable s'il n'y avait pas de transferts conditionnels du fédéral aux provinces.

Pour conclure sur une note un peu plus optimiste, il me semble significatif que la plupart du temps, les principaux co-financiers des soins de santé dans ce pays s'affrontent davantage pour savoir qui doit être félicité pour les succès des programmes, que pour savoir qui il faut blâmer pour les échecs. A mon avis, la raison en est simple, c'est que les succès sont beaucoup plus nombreux que les échecs.

Je vous remercie.

**Le président:** Je vous remercie, Dr. Horne.

Mr. Weatherhead avez-vous des questions à poser?

**M. Weatherhead:** Monsieur le président, je trouve qu'il est rafraîchissant d'être à Winnipeg et d'entendre un point de vue différent de ceux que nous avons entendus jusqu'à présent d'un bout à l'autre du pays. Jusqu'à présent nous avons surtout entendu des groupes d'intérêt et des organisations qui sont venus souligner l'excellence de leurs programmes, leur nécessité d'obtenir plus d'argent, et le fait qu'ils ne peuvent subir



[Texte]

cuts at all. We have heard on at least a couple of occasions a few dissenting views from there.

I gather that in your third point, Doctor Horne, that you really are against the block funding aspect. You want to go back to the 50-50 aspect or something very close to that. Could you elaborate on that particular point?

**Dr. Horne:** Yes. Well I think a generalized 50-50 arrangement—what Professor Thomas called the “menu approach”, has much to commend it because, among other things, it has the capability of respecting provincial differences in health priorities but at the same time stands a reasonable prospect of locating federal funding within the health care sector where it is deemed to be directed by the federal government. It is easy to advocate that kind of shift. I do so blindly ignorant of the political difficulties of negotiating away from EPF.

But it seems to me we have three alternatives: we either stay with the status quo as it is now defined, with all the—what I will call distressing features of EPF, or we move in the direction of more cash, more conditional grants; if you like, the turning back of the clock. Or we talk about total unconditional transfers, which would represent in my view, a complete abdication of the federal government in responsibility for health policy and programs, to eliminate what remains of the federal lever in its cash form and to go to a complete system of tax transfers.

Those it seems to me are the broadly-defined options in respect of federal-provincial cost sharing for health, and of those three, I believe that the arrangement involving some move back towards conditional federal transfers is appropriate. This does not mean necessarily that one is advocating a monolithic and undifferentiated health care system with no provincial differences. Clearly, health problems differ, province by province and region to region, and there would have to be due respect for those differences. But it seems to me that in defining strategic goals and aims, and maintaining a clear statement of what should be the national minimum standards, the federal government is obliged to retain a hand on a lever that has something connected to the end of it: ten provincial systems and two territorial governments. Otherwise, there simply is insufficient clout to effect any degree of correspondence to whatever national goals are specified.

I might add in this connection and as an example, that I would think there are evident provincial differences already in the way systems of health care have been funded. Differences in reliance upon general taxes and premium finance could be a candidate example of where a broadly stated system of federal principles would suggest that, in effect, provinces were out of line. Mr. Justice Hall made mention of this of course in his report, that those jurisdictions which continue to rely on premium finance to finance at least part of their contribution to health care are arguably out of step with the essential

[Traduction]

aucune réduction budgétaire. Nous n'avons entendu que deux points de vue.

J'ai cru comprendre que sur votre troisième point, Dr. Horne, vous étiez vraiment opposé au principe du financement global. Vous voulez retourner au système à 50-50 ou à un système qui lui ressemble. Pourriez-vous élaborer sur ce point?

**Dr Horne:** Oui. Je pense qu'une formule généralisée à 50-50, ce que le professeur Thomas appellerait une formule à la carte, a beaucoup d'avantages parce que, en particulier, elle permet de respecter les différences de priorités entre les différentes provinces, mais en même temps elle donne de bonnes chances d'identifier les fonds fédéraux dans les secteurs de la santé où le gouvernement fédéral entendait les allouer. Il est facile de plaider en faveur de ce genre de déplacement, et je le fais en ignorant totalement les difficultés politiques qui risquent de survenir dans les négociations qu'il faudrait entreprendre pour supprimer le financement des programmes établis.

Mais il me semble qu'il y a trois possibilités: ou bien on conserve le status quo, y compris les traits que je trouve déplaisants dans le financement des programmes établis ou bien nous nous dirigeons vers davantage de paiements en espèces, davantage de subventions conditionnelles, un retour en arrière si vous voulez. Ou bien nous parlons de transferts complètement inconditionnels, ce qui à mon avis équivaldrait à une abdication totale par le gouvernement fédéral de ses responsabilités dans le domaine des politiques et des programmes de santé, à une disparition de ce qui reste du levier fédéral des paiements en espèces, et l'adoption d'un système complet de transferts fiscaux.

Il me semble que ce sont là les options, largement définies, en ce qui concerne le partage des coûts de santé entre le fédéral et les provinces; et des trois, il me semble que la plus appropriée est celle qui implique un certain retour en arrière et un certain degré de conditionnalité dans les transferts fédéraux. Cela ne veut pas nécessairement dire que je sois en faveur d'un système de santé monolithique et non-différencié identique dans toutes les provinces. Il est évident que les problèmes de santé diffèrent selon les provinces et selon les régions, et il faudrait en tenir compte. Mais il me semble qu'en définissant des objectifs stratégiques et en établissant clairement ce que devraient être les normes minimum nationales, le gouvernement fédéral doit maintenir un certain contrôle sur les systèmes des provinces et des territoires. Sinon, il n'aurait pas suffisamment de pouvoir assurer la moindre correspondance entre ce qui se fait dans les provinces et les territoires, et les objectifs nationaux.

J'aimerais ajouter à ce sujet qu'il existe déjà des différences évidentes dans les modes de financement des divers systèmes de santé des provinces. Le degré de leur dépendance des impôts généraux et primes constitue un excellent exemple d'un système où des principes fédéraux généraux permettent de vérifier que les provinces demeurent dans les normes. Le Juge Hall le mentionne dans son rapport, les juridictions qui comptent sur les primes pour financer ne serait-ce qu'en partie leur contribution aux soins de santé, ne sont pas en harmonie avec les principes essentiels de medicare. Il me semble qu'on devrait



[Text]

principles of medicare. It seems to me that at least as a long-run objective, provinces should be explicitly considering movement away from that mechanism and toward a system of consolidated revenue funding. That this is something that would be expected of a federal policy statement and is something that you could not expect individual provinces to gratuitously offer to the country as whole.

• 2155

**Mr. Weatherhead:** Now, Mr. Chairman, last week in Ottawa we had about a three and a half to four-hour presentation by the Canadian Medical Association in detailed graphs and charts and audio-visual presentations, and a large delegation, including medical practitioners from across the country, which set out in some detail how during the last decade or so medical funding in Canada has fallen short of the generally accepted averages of most of the countries of the western industrial world, with perhaps the exception of the United Kingdom. You in your initial presentation tonight referred to this and said that really there was no evidence that the lesser funding, I think of around per cent of GNP in the U.K., was any worse off regarding medical care, in general, than, say, the United States at 10 per cent of funding. You went on to talk about Mr. Justice Hall talking about the medical doctor surplus in some areas of the country, and that sort of thing.

This is very contradictory evidence. As a lawyer, of course, I am used to contradictory evidence, but I wonder if you could just elaborate a little on your basic differences with the Canadian Medical Association on this particular aspect, because they pressed very heavily on us, in at least the first hour of their presentation, how we had fallen so far behind in comparison with the other industrialized countries in the western world in medical care.

**Dr. Horne:** Well, I have not read the CMA presentation to your committee, but I would guess they heavily emphasized the U.S. data, which show a very significantly higher proportion of GNP allocated to health; as I say, about 9 per cent. If you define that as the desirable level, then of course you can argue for an immediate transfusion of something like \$4.6 billion in 1978 terms to Canadian health care; and there is no doubt you would find some willing takers to spend that money. By the same token, the exclusion of the British experience is significant, because while there has been much publicity attending the overall funding of health care in Britain, the important fact, I think, is that nowhere, to my knowledge, is there any evidence that the British people are worse off for the fact that health care consumes a lower proportion of their GNP than it does in Canada or the U.S. There are, to be sure, selected examples of long queues for elective surgery and there are all kinds of anecdotes about the 75-year-olds who are waiting 6, 8, 10, 12 months for their total hip replacements. There are localized shortages of certain personnel and certain facilities, as there are in any system—because rationing is taking place in some form everywhere. It is a question of

[Translation]

se donner comme objectif à long terme que les provinces devraient s'éloigner délibérément de ce mécanisme, et tendre vers un système de financement par consolidation des revenus. C'est là quelque chose qui nécessiterait une déclaration de politique du fédéral, car on ne peut pas s'attendre à ce que les provinces en prennent l'initiative.

**M. Weatherhead:** Monsieur le président, à Ottawa la semaine dernière nous avons entendu une présentation de l'Association Médicale du Canada, qui a duré trois heures et demies ou quatre heures, avec des graphiques détaillés, des tableaux et des présentations audio-visuelles, une grosse délégation comprenant des médecins venus de tout le pays, qui ont entrepris de démontrer en détail comment au cours de la dernière décennie le financement des soins médicaux a été inférieur aux moyennes généralement considérées comme acceptables dans les pays du monde occidental industrialisé à l'exception peut-être du Royaume-Uni. Dans votre présentation de ce soir, vous y avez fait référence, et vous avez affirmé qu'on n'avait aucune preuve qu'un financement inférieur tel que celui du Royaume-Uni qui est de 6 p. 100 du PNB aboutissait à des soins médicaux inférieurs à un système comme celui des États-Unis qui consacrent 9 ou 10 p. 100 de leur PNB aux soins médicaux. Vous avez aussi évoqué ce qu'avait dit le Juge Hall à propos du surplus de médecins dans certaines régions du pays.

Tout cela est bien contradictoire. En tant qu'avocat, j'ai bien sûr l'habitude d'entendre des preuves contradictoires, mais j'aimerais que vous élaboriez un peu sur les principales différences entre votre position et celle de l'Association Médicale du Canada sur ce sujet particulier, parce qu'ils ont beaucoup insisté dans la première heure de leur présentation sur le fait qu'ils avaient pris beaucoup de retard par comparaison avec les autres pays industrialisés occidentaux.

**Dr Horne:** Je n'ai pas lu la présentation de l'AMC mais j'imagine qu'ils ont souligné les données américaines qui indiquent qu'une proportion plus importante de PNB est réservée aux soins de santé; 9 p. 100 environ, comme je le disais tout à l'heure. Si on définit ce chiffre comme étant le niveau adéquat, alors évidemment on peut demander l'injection immédiate de quelque chose de l'ordre de 4.6 milliards de dollars de 1978 dans les soins de santé au Canada, et je suis bien certain que vous trouveriez des preneurs pour dépenser cet argent. De la même façon, il est significatif qu'ils aient exclu l'expérience britannique parce que, bien que le financement global des soins de santé en Grande-Bretagne ait été entouré de beaucoup de publicité, ce qui est important c'est que, à ce que je sache, on n'a aucune preuve que les britanniques soient plus à plaindre parce que leurs soins de santé prennent une proportion moins importante du PNB qu'au Canada ou aux États-Unis. Bien sûr, il existe des exemples de longues attentes pour certaines interventions chirurgicales facultatives, et il existe toutes sortes d'anecdotes à propos de gens de 75 ans qui attendent 8, 10 ou 12 mois pour se faire remplacer une hanche. Il y a pénurie de personnel dans certains endroits, pénurie

## [Texte]

whether it is being done by prices, by providers, or by government fiat. It is inescapable.

I am simply saying that on this score and at this level of argument about adequacy of funding, it is very difficult to make convincing points on the basis of this kind of macro-indicator, and unless they have substantially changed their argument from last year, when they made their presentation to Justice Hall, reliance on that level of generality I find unconvincing. The theme that there are diminishing returns to further expenditures in health care was very nicely illustrated and discussed in a document which the then Minister of Health, Marc Lalonde, tabled in 1974, and which has had so much international publicity since then. A New Perspective on the Health of Canadians remains a very readable document, and I think it nicely brings out the issues that confront any western advanced industrial country.

The argument of diminishing returns applies particularly to the western countries, I might add and emphasize, because of the obvious fact that we have greater opportunity over the years to exploit the major life-prolonging and life-enhancing technologies. If you are talking about the underdeveloped world, the less developed countries, then of course arguments can be made that underfunding is occurring there, because many of the most basic and primitive public health measures have not yet been exploited. But in the U.S., Canada, Britain, and other western industrial countries, it is very difficult to make the argument stick.

**Mr. Weatherhead:** Would you say Dr. Horne, the moneys devoted to medical care could be cut back a little without hurting the system, or do you think we are at about the optimum financial support situation at the present time? You are perhaps not pressing us to increase the financial support. Do you think it could be cut back, and if so, in what areas could it be cut back?

• 2200

**Dr. Horne:** When you say medical care program, I interpret your question to mean is there scope for cutbacks within the area of physician services. We get great debate here. I have no trouble with the proposition that a good deal of what we take to be common medical procedures could be cut back without significant impairment to the health of Canadians. We do a lot of things in routine medical care whose benefits to patients in substantive outcomes, changes in the course of illness, relief of symptoms, suffering and so on, have yet to be demonstrated, or have yet to be demonstrated in any convincing way.

This is not a particular criticism of the medical profession so much as it is the fact that we operate largely in a world of ignorance about these things. We simply have not undertaken the kind of systematic evaluations which might be appropriate for any kind of selective limitation of service. Things like routine pre-operative electrocardiograms, the single most frequent procedure in Canadian hospitals, are done under proto-

## [Traduction]

d'équipement dans certains autres, comme cela arrive partout parce qu'il existe toujours un certain degré de rationnement où que l'on se trouve. Le rationnement peut être du aux prix, aux sources de financement, aux décisions gouvernementales, mais il est inévitable.

Tout ce que je suis en train de dire, c'est que dans cette discussion sur la suffisance du financement il est très difficile de présenter des arguments convaincants en se servant de ce genre d'indicateurs macro-économiques et, à moins qu'ils aient beaucoup changé leur raisonnement depuis leur présentation au Juge Hall de l'année dernière, je trouve ce genre de généralités peu convaincantes. L'idée selon laquelle les dépenses dans le domaine des soins de santé subissent des rendements non-proportionnels a été très bien discutée et illustrée dans un document déposé en 1974 par le ministre Lalonde qui était alors ministre de la santé, document qui a acquis depuis une célébrité internationale. Ce document, intitulé nouvelles perspectives sur la santé des Canadiens demeure très lisible, et souligne bien les questions auxquelles on doit faire face dans tous les pays industriels du monde occidental.

L'argument des rendements non-proportionnels s'applique particulièrement aux pays occidentaux parce que ces pays là ont eu davantage le temps, au cours des années, d'exploiter les technologies d'amélioration et de prolongation de la vie. Quand on parle du monde sous-développé, alors bien sûr on peut soutenir qu'il y a sous-financement parce qu'un grand nombre de mesures fondamentales de santé publique ne sont même pas encore en place. Mais aux États-Unis, au Canada, en Grande-Bretagne et dans les autres grands pays occidentaux industrialisés, il est très difficile de soutenir la même chose.

**M. Weatherhead:** Dussr Horne, est-ce qu'à votre avis on pourrait réduire un peu les sommes consacrées aux soins médicaux sans porter préjudice au système, ou est-ce que nous nous trouvons dans une situation optimale en ce qui concerne le soutien financier à l'heure actuelle? Vous ne nous pressez pas d'augmenter notre soutien financier. Pensez-vous qu'il puisse être réduit, et si oui, dans quels domaines pourrait-on faire des coupures?

**Dr Horne:** Lorsque vous dites programme de soins médicaux, j'interprète votre question comme voulant dire est-il possible de faire des coupures dans le domaine des services des médecins. Il y a là un grand débat. Je peux accepter sans difficulté l'idée qu'on puisse faire des réductions dans les procédures médicales communes sans porter atteinte à la santé des canadiens. On fait beaucoup de choses dans les soins médicaux de routine, dont les résultats sur l'état des patients, le développement des maladies, le soulagement des symptômes etc., demeurent à démontrer.

Je ne fais pas là une critique de la profession médicale, mais je dis plutôt que nous sommes encore dans une grande ignorance. Nous n'avons pas encore entrepris le genre d'évaluations systématiques qui pourraient être appropriées pour n'importe quelle sorte de limitation sélective des services. Des choses telles que les électrocardiogrammes pré-opératoires de routine, qui est la procédure la plus fréquente dans les hôpitaux



[Text]

cols that have never been thoroughly and completely evaluated. So we routinely do them on every 45-year-old who goes to the or, notwithstanding there may be no history of heart disease and no reasonable clinical basis for presuming there will be a problem interoperatively. Yet we do 15 million of these procedures per year.

**The Chairman:** So you would rather wait until they have a heart attack to have an electrocardiogram test on them?

**Dr. Horne:** Mr. Chairman, this is a diagnostic test. Failure to do the diagnostic test before the fact does not necessarily and inevitably mean the patient is going to die under the surgeon's knife.

**The Chairman:** I have a total medical check-up every two years, and I make darn sure that I have an electrocardiogram examination. I have never had a history of heart trouble, but I find that very important to know before the fact.

**Dr. Horne:** It is useful information, which most clinicians would certainly argue should be on hand. The point, if it needs qualification, is that many of the patients who are coming to surgery, for example, for relatively routine surgical procedures, have had, within the last year or two, an electrocardiogram, the information on which might be of considerable value to the attending anaesthetist or surgeon. All I am suggesting is, by way of example, that this is a procedure where, if we knew more about the impact of the ECG on clinical decision-making, and the implied threats to patients in the event they are selectively prescribed, then we might in fact argue convincingly for a lower volume. The problem with examples is of course that you invite the concerns that are well taken about life-and-death matters; yes, admittedly.

Let me give you another example: radiological procedures. You do not have to go too far in this country to find radiologists who will say while they used to believe a picture was worth a thousand words, they now take a thousand pictures to get one worthwhile word of diagnosis. Thirteen to fifteen in-hospital radiological examinations are done in Canadian hospitals and we do not, frankly, know whether they are of any value or not; at least, not all of them. Studies that have been conducted so far suggest that we could cut back 10, 20, even 30 per cent on the volume of in-hospital radiological procedures without impairment to the quality of care and outcomes to which Canadians have become accustomed.

That being the case, there are some arguable inefficiencies within health care which would suggest that our over-all level of funding is about right, but we should be shifting it around from place to place. That raises a whole pile of other problems. Nevertheless, the point is that in the aggregate we do not do too badly in our support of the health care system.

**Mr. Blaikie:** Mr. Chairman, I wanted to ask a few more questions about the whole notion of under-funding. I have often said the only time the Canadian Medical Association and

[Translation]

canadiens, sont effectuées selon des règles qui n'ont jamais vraiment été évaluées. On les fait donc de façon régulière sur toutes les personnes âgées de 45 ans qui vont en salle d'opération, même si elles n'ont aucune maladie de cœur dans leur historique, et aucune raison clinique de présumer qu'il puisse y avoir un problème de ce côté-là. Et pourtant nous en faisons 15 millions par an.

**Le président:** Est-ce que vous préféreriez qu'on attende que ces personnes aient une attaque cardiaque, avant de leur faire un électrocardiogramme?

**Dr Horne:** Monsieur le président, c'est un essai diagnostique. Le fait qu'il n'y ait pas d'essai diagnostique avant le fait ne signifie pas nécessairement et automatiquement que le patient va mourir sous le scalpel du chirurgien.

**Le président:** J'ai une visite médicale complète tous les deux ans, et je m'assure bien qu'on me fasse un examen électrocardiaque. Je n'ai jamais eu d'ennuis de cœur, mais je trouve que c'est très important d'être averti avant que ça arrive.

**Dr Horne:** C'est une information utile, et la plupart des médecins voudraient certainement l'avoir à leur disposition. Le fait est que beaucoup de patients qui entrent en chirurgie par exemple, pour une procédure chirurgicale relativement routine, ont eu un électrocardiogramme au cours des deux dernières années, et que cette information pourrait être très utile à l'anesthésiste ou au chirurgien. Tout ce que je suis en train de faire, c'est de suggérer que voici une procédure dont nous pourrions réduire le volume si nous en savions davantage sur l'utilité de l'électrocardiogramme dans la prise de décision clinique, et sur les risques implicites qu'on fait courir aux patients en les prescrivant sélectivement. Le problème que pose les exemples, bien sûr, c'est qu'ils invitent à se poser des questions de vie ou de mort, ce qui est bien légitime.

Permettez-moi de vous donner un autre exemple: les procédures radiologiques. On n'a pas besoin d'aller bien loin pour trouver des radiologues qui se sont longtemps contentés d'une image, et qui maintenant vont en prendre des quantités avant de prononcer un diagnostic. On en prend de treize à quinze dans les examens radiologiques dans les hôpitaux canadiens, et franchement, je ne sais pas si cela sert à quelque chose ou pas. Certainement pas toutes.

Les études faites jusqu'ici suggèrent qu'on pourrait réduire de 10, 20, ou même 30% les procédures radiologiques à l'hôpital sans porter atteinte à la qualité des soins. Ceci étant, il y a des faiblesses dans les soins de santé qui permettent de penser que le niveau global de financement est à peu près adéquat, mais ce qu'il faudrait c'est déplacer le financement d'un endroit à l'autre. Ceci soulève toute une autre série de problèmes. Mais malgré tout, ce qui compte, c'est que globalement notre soutien financier des soins de santé est adéquat.

**Mr. Blaikie:** Monsieur le Président, j'aimerais poser quelques questions supplémentaires sur cette question du sous-financement. J'ai souvent dit que le seul domaine dans lequel



## [Texte]

the NDP agree is on the notion of the under-funding of the medicare system.

As I heard your remarks, it was not so much that you thought there was no room for more spending, and certainly more intelligent spending, but that the kind of under-funding, for instance, which the CMA takes great pains to point out, is not an under-funding that can be convincingly related to the quality of health care or the health of Canadians. In fact, the solution to the under-funding which they would like to see solved is more private money through the instrument of patient participation, which is a euphemism for extra-billing and other forms of user fees.

I wanted to ask you, in that light, to what extent is the 6 per cent GNP figure for Britain related to the fact that many more of their doctors are on salary rather than on a fee-for-service basis?

• 2205

**Dr. Horne:** I cannot answer that question specifically. I would guess that it has less to do with the levels of remuneration of individual practitioners than it does with the number of practitioners as such. We tend to have a larger supply of physicians in our system per capita than do the British; indeed, on that score we are not greatly dissimilar from the U.S. As I mentioned in my remarks, the population-physician ratio has improved, if you will, consistently, year to year, for the last 34 years; as long as we have data, in fact. So, I suspect that it has less to do with the particular methods of physician remuneration than it does with the number of doctors in the system. I think that is much easier to demonstrate.

It follows from that, of course, that the route to savings, if you like, in medical care comes less from depressing the incomes of individual practitioners than it does through a manpower policy that would more rationally consider the numbers required nationally by province, by specialty, and by region. We do not have a policy of that sort now, and that, too, is a useful point, I think, that Mr. Justice Hall made.

• 2210

**Mr. Blaikie:** Gentlemen, there is a kind of irony here, in that I think both the Canadian Medical Association and Dr. Horne left out one sort of particular analysis, although you hinted at it when you spoke of the Third World, and that is that we are at a sort of plateau, so to speak, in prolonging the life expectancy of Canadians, or, for that matter, people in the western industrialized world. The CMA did not mention this when they went to great pains to point out how longevity had been increased. In fact, they extrapolated from that, at present rates, we could expect to live to be as old as Methuselah by a certain year, leaving out the fact that we had reached this plateau—having eradicated the sort of infectious diseases and

## [Traduction]

l'Association Médicale du Canada et le parti Néo-démocrate sont d'accord, c'est pour se plaindre du sous-financement du système de medicare.

Si j'ai bien compris vos remarques, vous nous dites non pas tellement qu'il n'y a pas de place pour davantage de financement, ou pour un financement plus intelligent, mais plutôt que le genre de sous-financement dont se plaint l'AMC n'est pas de nature à porter préjudice à la qualité des soins de santé, ni à la santé des canadiens. A dire vrai, la solution au problème du manque d'argent que l'on veut régler serait un nouvel apport de fonds privés sous la forme d'une participation financière du malade, ce qui est un euphémisme pour désigner un supplément d'honoraires ou quelque autre genre de ticket modérateur.

Dans cette perspective, pouvez-vous bien me dire dans quelle mesure les 6 p. 100 du PNB que l'on trouve en Grande-Bretagne se rattachent au fait que, dans ce pays, un plus grand nombre de médecins touchent un traitement fixe qu'il y en a de rémunérés à l'acte?

**Dr Horne:** Je ne saurais répondre précisément à cette question. Je suis porté à croire qu'il s'agit moins d'une question de niveaux de rémunération pour le praticien que d'une question du nombre de praticiens en exercice. En général, par tête d'habitant, nous pouvons compter sur un plus grand nombre de médecins que les Britanniques; sur ce point, même, notre situation n'est pas tellement différente de celle des États-Unis. Comme je l'ai dit dans mes observations, le rapport entre le nombre de médecins et le chiffre de la population n'a cessé de s'améliorer d'année en année, au cours des 34 dernières années, cest-à-dire depuis que nous en faisons le calcul. C'est pourquoi je soupçonne que l'explication tient moins au mode particulier de rémunération des médecins que du nombre de médecins participant au régime. C'est, à mon avis, plus facile à démontrer.

Il s'ensuit de toute évidence que le moyen de faire des économies dans les soins médicaux n'est pas surtout de réduire le revenu de chaque praticien, mais plutôt d'avoir une politique de main-d'œuvre qui tienne plus logiquement compte du nombre de professionnel requis par province, par spécialité et par région. Une telle politique n'existe pas aujourd'hui et, si je ne m'abuse, le juge Hall l'a déploré.

**M. Blaikie:** Messieurs, une chose ne laisse pas d'être curieuse. C'est le silence, gardé aussi bien par l'Association médicale canadienne que par vous, monsieur le docteur Horne, malgré une légère allusion quand vous parliez du tiers-monde, à l'égard d'un point particulier que révèle la moindre des analyses. Ce point, c'est que nous avons atteint une sorte de plateau, si l'on peut dire, dans la prolongation de l'espérance de vie des Canadiens ou, quant à cela, des peuples des pays industrialisés du monde occidental. L'Association médicale a négligé cet aspect de la question dans ses efforts pour démontrer que la longévité augmentait. De fait, elle déduit de cela qu'au rythme actuel il arrivera un moment où nous pourrions

## [Text]

because of the fact that more children were surviving childhood, which was bringing up life expectancy—and life expectancy, as such, could not be expected to go very much higher, at least given the present technology.

• 2215

The same thing is left out here, when you are talking about diminishing returns. The diminishing returns—in my view, anyway, and I want your response to this—are not in spending, as such, but in the kind of spending that we are doing and the kind of medical technology, or technologized medicine, that we are so heavily involved in. It is not spending that has diminishing returns, it is the kind of medicine we are practicing now, or we are on this side of a threshold of, when it comes to chronic diseases or lifestyle diseases—those kinds of things. I feel that you have been unfair to the ability of money wisely spent—perhaps on prevention, for instance, and education, et cetera, and on the more holistic and human-oriented forms of health care—to bring us perhaps to a better state than where we are now.

**Dr. Horne:** I agree with you that it is a fairly safe generalization that we have under-funded prevention strategies and “over-funded” treatment strategies. The system is oriented to crisis interventions, to treatment, particularly of acute illnesses and illness episodes. It is faced with the challenge of contending with a whole series of new health threats—chronic care, and all the associated conditions of an aging population. As the Lalonde Report, in 1974, rightly emphasized, we are arguably forfeiting opportunities for increased returns in health spending by not exploiting some of these well-known and seemingly logical prevention opportunities.

The problem with prevention, from a politician's standpoint, however, is that, yes, there is an asymmetry in the costs and benefits. The costs are all front-end and all the benefits are down the pipe, and they might accrue to somebody else. It is very hard to get your policy mind into that kind of system, where the credit, for your work and effort and energy, is likely to accrue to someone else.

Needless to say, the provinces are, so far as I can tell—and the federal government to some extent is too—consciously realigning their priorities in this area. Whether they are doing enough is a matter of some debate, but there is a recognition and there are some shifts taking place in health care allocations that are consistent with the demographic projections and are consistent with the known environmental hazards to health.

**Mr. Blaikie:** Would it be appropriate to say that there are really two dimensions to any health care system? One is health and one is care. By this, I mean that it may be true that the amount of money we are now spending and considering increases in would not necessarily lead to increased health, but it might lead to the increased care of those who are not

## [Translation]

espérer vivre aussi vieux que Matusalem, mais elle oublie de dire que la longévité s'est stabilisée, que ce qui l'a amenée au niveau actuel, c'est la suppression de certaines maladies infectieuses et le fait que plus d'enfants survivent à l'enfance, et qu'il ne faut pas espérer la voir progresser beaucoup plus, du moins dans l'état actuel de la technologie.

Le même facteur est passé sous silence quand vous parlez de rendement décroissant. A mon point de vue, du moins, et j'aimerais savoir ce que vous en pensez, la décroissance du rendement ne tire pas son origine du montant d'argent dépensé comme tel, mais de la manière qu'on le dépense et du genre de technologie médicale ou de médecin technologique dans laquelle nous nous impliquons si profondément. Ce n'est pas la somme dépensée qui perd de sa rentabilité, mais le genre de médecine que nous pratiquons, ou bien encore c'est que nous ne nous décidons pas à franchir un certain seuil quand il s'agit de maladies chroniques ou incurables et autres choses semblables. A mon sens, vous ne montrez guère de confiance dans la capacité de l'argent sagement dépensé de nous amener à une situation meilleure que celle que nous connaissons—de l'argent dépensé par exemple pour la prévention, l'éducation et toutes ces formes de soins à caractère plus humain et plus personnel.

**Dr Horne:** Je suis d'accord avec vous pour dire qu'il est plus qu'évident que nous avons fait la portion congrue aux stratégies de prévention et la part trop large aux stratégies de traitement. Notre régime en est un d'interventions au moment de crise, de traitement, en particulier des maladies graves et des périodes de maladie. Aussi se trouve-t-il aux prises avec toute une série de nouvelles menaces à la santé—maladies incurables et toutes les conditions que crée le vieillissement de la population. Comme le souligne avec raison le rapport Lalonde de 1974, il semble que nous renoncions à la chance d'augmenter la rentabilité des dépenses de santé en ne tirant pas parti de ces occasions de pratiquer la prévention, occasions si connues et qui paraissent si logiques.

Aux yeux de l'homme politique, le problème que pose la prévention est l'asymétrie des coûts et des avantages. Les coûts sont pour tout de suite, et les avantages sont pour longtemps plus tard, voire pour d'autres. Il est difficile d'amener à penser une politique où le fruit du travail, des efforts et de l'énergie dépensée ira vraisemblablement à quelqu'un d'autre.

Point n'est besoin de dire que, autant que je sache, les provinces—et aussi le gouvernement fédéral jusqu'à un certain point—procèdent de propos délibéré à un réaménagement de leurs priorités dans ce domaine. Vont-elles assez loin dans ce sens? La chose peut être discutée. Chose certaine, il y a prise de conscience et il y a des déplacements de fonds alloués qui tiennent compte des projections démographiques et des dangers à la santé connus dans l'environnement.

**M. Blaikie:** Est-il juste de dire qu'il y a réellement deux dimensions à tout régime de santé publique? L'une, c'est la santé, et l'autre, les soins médicaux et hospitaliers. Par cela, je veux dire qu'il est peut-être vrai que la somme que nous dépensons aujourd'hui et que nous envisageons d'augmenter n'aura pas nécessairement pour résultat d'améliorer la santé



## [Texte]

healthy. I am thinking, for instance, of the need for nursing-home beds, which is very strong in this province as it is in many other provinces. The people who would go into these hypothetical new beds might not be any more healthy, as a result of having beds, but they might be more well cared for in their illness. So you cannot just measure a system, it seems to me, by how healthy people are staying, or by how many ill people are being cured, but by how well people are being cared for in terms of convenience, in terms of just providing for a human environment. In my view, at least—and I want your response to this—that is where I think more money could be spent.

**Dr. Horne:** The shift away from high cost institutional facilities—the active treatment institution, the community hospital—is well under way in most provinces. Shifts are taking place there. I think you can safely say that most provinces are aware that they have to increase their numbers of personal care beds and other low-cost alternatives to high-cost hospitals. I would be surprised if you have not heard some representations to that effect in your travels to date.

• 2220

But you are right. The definition of appropriate care is very important, and it may be that we have been working in the past with too narrowly defined a definition and that all the needs, particularly of the elderly, are not being defined in the broader social context that, in fact, may be the cause of their problem. Narrowly defined, modern technology in medicine treats the elderly by drugging them. Yet you do not have to go too far to find nutritionists telling them that what is more important to the elderly than drugs at this point, to cure their depression, is food and social stimulation.

I think the Canadian Medical Association may acknowledge this fact when inquired about it, but I would suggest to you that a quick glimpse of this week's *the Medical Post*, which reports regularly and weekly on all the latest cures in modern medicine, and all the latest new technologies that are available and should be diffused through the health economy post haste, is carrying precisely these sorts of studies, where well-meaning medical scientists are dealing with the problems of the aged in terms that involve changing their drug regimens, and increasing their compliance with drug regimens, based on a superficial assessment of the causes of their "depression".

Anyone remotely familiar with the care of elderly people in this province, and anywhere else, will tell you that the problems are less an inadequacy of health care technology than simply the environment conducive to continuing, at their past levels, the will to live, if you like. That reflects a fairly fundamental difference in attitudes toward one of the most pressing problems in this country today, and certainly one that is going to be with us for the next 10 to 20 years.

## [Traduction]

publique, mais elle peut conduire à augmenter les soins qui sont dispensés à ceux qui ne sont pas en bonne santé. Je songe, par exemple, au besoin de lits dans les maisons de convalescence, besoin qui est aigu dans cette province-ci comme dans bien d'autres provinces. Les gens qui occuperont ces nouveaux lits éventuels n'en seront pas pour autant en meilleure santé, mais ils seraient peut-être d'autant mieux soignés. A mon avis, on ne peut donc pas juger la valeur d'un régime uniquement sur le degré de santé de la population ou sur le nombre de malades guéris, mais aussi sur la qualité des soins dispensés en termes de commodités et aussi d'environnement et de présence humaine. A mon sens—et j'aimerais connaître votre avis—c'est à cela qu'il y aurait lieu d'affecter plus de fonds.

**Dr Horne:** Dans la plupart des provinces est bien amorcé le mouvement vers quelque chose d'autre que le grand centre hospitalier, bien dispendieux, l'établissement de traitement actif, l'hôpital communautaire. L'accent se déplace. Il n'est pas exagéré de dire que la plupart des provinces se rendent compte qu'elles doivent augmenter le nombre de lits dans les hospices et autres établissements de soins à frais modérés au détriment des hôpitaux coûteux. Je serais étonné si vous me disiez que vous n'avez rien entendu à ce sujet depuis le début de votre voyage.

Mais vous avez raison: il est très important de bien définir le caractère des soins qui s'imposent. Il se peut que par le passé notre conception des soins à donner ait été un peu étriquée et qu'en conséquence chacun des besoins, en particulier ceux des personnes âgées, ne soient pas envisagés dans un contexte social plus large. Ce qui peut être la cause des difficultés ressenties. Sous l'empire d'une telle conception étroite, la technologie moderne en médecine traite le vieillissement à coup de médicaments. Et, pourtant, il ne manque pas de diététiciens pour nous dire que, pour guérir le vieillard de son état dépressif, une bonne alimentation et une stimulation sociale importent davantage que les médicaments.

Sans doute l'Association médicale canadienne admettra qu'il en est ainsi, si on le lui demande. Mais il vaut la peine de parcourir le numéro de cette semaine du *Medical Post*, ce périodique qui régulièrement chaque semaine annonce les derniers miracles de la médecine moderne et toutes les nouvelles technologies devenues disponibles, et qu'il faut, séance tenante, largement diffuser dans le monde de la santé. Ce numéro renferme justement ce genre d'articles où des spécialistes de la médecine, bien intentionnés, étudient les problèmes du vieillissement en termes de médication et de conditionnement à la médication, tout cela fondé sur une évaluation superficielle des causes de l'état dépressif.

N'importe qui le moindrement expérimenté dans la garde des personnes âgées, dans cette province et ailleurs, vous diront que le remède à leurs maux n'est pas tant une technologie de soins moins inefficace que simplement un environnement qui les porte à maintenir au même niveau qu'antérieurement, mettons, leur volonté de vivre. Cela suppose un changement passablement profond des attitudes envers l'un des problèmes les plus pressants dans le pays aujourd'hui et, chose certaine,



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I can understand the bias of high-technology medicine, I am simply saying that policy makers have to accept the arguments with a grain of salt. It is one thing to say, yes, that technology has passed muster at some level of evaluation, and it is another to say that every hospital in this country should have a CAT scanner, for example. No one denies the advantages to clinical diagnosis and accuracy of information inherent in the technology of the CAT scanner, but I do not know of anyone who advocates that every community hospital in this country should have a CAT scanner. Fortunately, in this country, we have not plunged headlong into a massive overinvestment in CAT scanners as the U.S. has. The reason is simple: our systems ration resources in a more formal way than is the case in the U.S. The fact that our provincial health care systems have not underwritten CAT scanning on a fee-for-service basis has a lot to do with why you do not see them in private offices, and it has a lot to do with why you see them in major teaching hospitals—because those are the only institutions that have secured provincial government approval for their installation. That is an important difference between us and them, south of the border. And that is why I think we get more out of our health care spending than, I think, they do in States. We complain about fragmented health-care delivery in this country, but we do not know what the word mean until we go 500 miles south. I think the fact that we have gone slowly in some of these technologies is good.

**The Chairman:** Mr. Herbert.

**Mr. Herbert:** Mr. Chairman, one question, just to terminate, because I sense some conflict in the testimony, Dr. Horne, particularly when you were referring to electrocardiograms earlier on and more recently in response to questions.

It brought to mind a fairly recent conversation I had with the doctor who looks after my two children. He was pointing out that, for a given number of patients, some 20 years ago he would have some 15 to 20 in hospital, today he will have, for the same given number of patients, about 3 in hospital, and how much that has changed his practice—which is obviously now concentrated on preventive medicine. He attributes that in large measure to the fact that it has been possible for the population at large to have access to repeated examinations and from what I infer from your testimony may be unnecessary examinations. I would like you to clarify the point, because I am under the impression that one of the benefits derived from giving the population at large access to “unnecessary” examination is that we have cut down tremendously on treatment but we have increased the number of examinations. Is this not in the long run a good thing for Canada? Are we not far ahead of the United States? Is it not one of the problems when we compare costs in Canada with the United States, the fact that they do not have the kind of system that we have here? Are they not spending an awful lot more money

[Translation]

un problème que nous aurons encore pour une ou deux décennies.

Je puis comprendre les prétentions de la médecine de haute technologie; je dis simplement que les arguments présentés doivent être pris avec un grain de sel par ceux qui formulent les politiques. C'est une chose de dire, oui, que la technologie a prouvé son utilité à un certain niveau d'évaluation et c'en est une autre que de prétendre que chaque hôpital du pays doit posséder un tomographe, par exemple. Personne ne nie l'utilité de la technologie du tomographe pour le diagnostic clinique et la précision de l'information, mais personne non plus, que je sache, ne soutient que l'hôpital de chaque localité du pays doit avoir son tomographe. Dieu merci, dans notre pays, on ne s'est pas lancé tête première dans l'achat massif de cet appareil, comme ce fut le cas aux États-Unis. La raison en est bien simple. Nos régimes distribuent les ressources plus scrupuleusement qu'aux États-Unis. Et le fait que nos régimes d'assurance-maladie provinciaux n'ont pas inclus les frais de la tomographie dans les frais remboursables explique pourquoi nous ne trouvons pas cet appareil dans les cabinets privés, et pourquoi nous les trouvons dans les grands hôpitaux universitaires,—seuls ces établissements ayant obtenu l'approbation du gouvernement provincial pour leur installation. C'est une différence importante entre nous et nos voisins du sud. Voilà aussi, je crois, la raison pour laquelle nous obtenons plus qu'eux pour les dépenses faites en matière de soins médicaux. On se plaint ici de la fragmentation de la fourniture des services, mais ce n'est que lorsque nous sommes 500 milles au sud que nous saisissons ce que veut dire le mot. C'est une excellente chose, à mon avis, la modération que nous avons montrée dans le recours à cette technologie.

**Le président:** Monsieur Herbert.

**M. Herbert:** Monsieur le président, une seule question pour terminer. Je crois déceler quelque contradiction dans votre témoignage, Docteur, en particulier quand vous avez parlé des électrocardiogrammes un peu plus tôt et quand vous en avez parlé il y a quelques minutes, en réponse à des questions.

Cela m'a appelé une toute récente conversation avec le médecin de mes deux enfants. Il me disait qu'il y a vingt ans, pour un nombre donné de malades, il en comptait de 15 à 20 à l'hôpital et qu'aujourd'hui pour le même nombre, il n'en a qu'environ trois à l'hôpital, et que cela avait bien changé son mode d'exercice de la médecine—c'est évidemment une médecine préventive qu'il pratique surtout. Il attribuait cette évolution, dans une large mesure, au fait qu'il était possible maintenant au grand public d'obtenir des examens répétés, examens qui, si j'en crois votre témoignage, seraient des examens inutiles. J'aimerais vous entendre clarifier ce point, car j'ai l'impression qu'un des résultats heureux de cette facilité pour les gens d'obtenir des examens supposés inutiles a été de réduire de beaucoup le nombre des traitements, tout en augmentant le nombre des examens. N'est-ce pas là, à long terme, une excellente chose pour le Canada? Ne sommes-nous pas loin en avant des États-Unis sur ce point? Et n'est-ce pas l'un des aspects à considérer, quand on compare les coûts de l'un et l'autre pays, ce fait que les Américains ont un régime différent du nôtre? Ne dépensent-ils pas à guérir les gens des sommes

[Texte]

on curing people which could well be spent on preventing those same individuals from going to hospital?

• 2225

**Dr. Horne:** Well, I would like to think that is true. However, I suggest that it would be difficult to implicate an emphasis on preventive care in our systems of remunerating physicians and in health care funding generally, with respect to that particular statistic which you cited, the number of decreased hospitalizations. The plain fact of the matter on this score is, and here I agree with the medical associations, there is no money in prevention at the office level. There is no great reward for trying to prevent illness in office-based, primary, care. You get paid for doing things for people, even if it is giving reassurance only. The fact is, under present arrangements you get paid for that kind of treatment or cure orientation.

I am not sure what would explain that fact if it is generally true in pediatric practices. It may have more to do with the changing complexion of pediatric problems; it may have something to do with admission policies at pediatric hospitals; a whole variety of things might be implicated in it. But I do not think you can say, and point to, a deliberate difference in reimbursement policies between Canada and the United States that would have placed some considerable premium on prevention. In Canada the current perception is, at least as I have come to understand it, that we still de-emphasize preventive health care in primary medical practice.

**Mr. Herbert:** Just to conclude the point though, does your answer not also emphasize that there is a saving if the doctor gets less money when he looks at a patient in his examination room, call it preventive medicine, if you like? Does it not also indicate that that is one of the reasons why we have been able to cut down on the total cost vis-à-vis, say, the United States?

**Dr. Horne:** That might be true; we may have under-rewarded physicians who have a professional interest in preventive health strategies. But the point you made about access to the system and the fact that we encourage the early reporting of symptoms and other problems, is, I think, true. We have deliberately encouraged Canadians with perceived health problems to contact professional assistance. But what we have also implicitly, if not explicitly, engineered, is a system in which we rely upon the physicians to gate-keep the technology, so that the patient is properly triaged through the system and matched up with technologies that correspond to their needs. That is the fundamental task of any system: to match resources with needs. We have no reason to believe that Canadians individually as consumers are capable of doing that; so, in that delegation of authority, we rely upon physicians to make those key decisions which, in the end, have a lot more to do with how much we spend on health care than probably anything else.

**Mr. Herbert:** I will only comment, Dr. Horne, that I feel awfully good when I come away from one of those unnecessary examinations and find there is nothing wrong with me.

[Traduction]

fabuleuses qui seraient mieux utilisées à empêcher ces mêmes gens d'être dans l'obligation d'aller à l'hôpital?

**Dr Horne:** Oh! j'aimerais bien que ce soit vrai. Il est difficile, tout de même, à partir des chiffres que vous citez sur le nombre décroissant des hospitalisations, de déduire que les soins préventifs sont privilégiés dans nos modes de rémunération des médecins et dans le financement en général de l'assurance-maladie. La réalité en ce domaine—et ici je suis d'accord avec les associations médicales—c'est que la prévention ne paye pas en cabinet privé. Dans les soins qui se donnent là, l'effort pour prévenir la maladie n'apporte guère de récompense financière. Le médecin est payé pour ce qu'il faut aux gens, même si cela se résume à les rassurer. C'est un fait que, sous le régime actuel, ce sont les gestes axés sur le traitement ou la guérison qui sont rémunérés.

S'il en est autrement en pédiatrie, je ne saurais dire pourquoi. Peut-être faut-il y voir l'effet d'une évolution dans les problèmes pédiatriques ou encore une conséquence des règles d'admission appliquées dans les hôpitaux pédiatriques; il peut y avoir toutes sortes de causes. Mais, à mon avis, on ne saurait affirmer qu'il y a dans les règles de remboursement du Canada, par rapport à celles des États-Unis, une différence telle que la prévention s'en trouve hautement privilégiée. En général, le régime canadien est perçu—et j'en suis venu à le comprendre—comme un régime qui relègue dans l'ombre les soins préventifs en cabinet médical privé.

**M. Herbert:** Permettez-moi, pour mettre un point final à cette discussion, de faire remarquer que votre réponse laisse entendre qu'il y a économie, puisque le médecin est moins payé pour l'examen qu'il faut en cabinet privé, qui, si l'on veut, est une sorte de médecine préventive. Et n'est-ce pas là un des facteurs qui font que nos services de santé coûtent moins cher que ceux des États-Unis, par exemple?

**Dr Horne:** Cela se pourrait; il se pourrait que nous ayons bien piètrement récompensé les médecins qui portent un intérêt professionnel aux stratégies préventives. Mais ce que vous dites à propos de l'accessibilité du régime et de l'encouragement que nous donnons à tous de signaler le moindre symptôme ou le moindre malaise ne saurait être plus vrai, à mon avis. Nous avons, de propos délibéré, inciter les Canadiens, au premier malaise physique, à contacter les professionnels de la santé, mais ce faisant, nous avons involontairement, sinon volontairement, fait du médecin le guichetier de la technologie médicale, à charge pour lui de faire le tri des malades et de diriger chacun sur les soins techniques qui correspondent à ses besoins. Tout système exige un tel tri pour bien assortir ressources et besoins. N'ayant aucune raison de croire que le Canadien, pris individuellement comme consommateur, puisse de lui-même faire ce choix, nous avons, par voie de délégation, confié au médecin cette décision clé qui, à tout prendre, joue plus que n'importe quoi sur le montant que nous dépensons pour les soins médicaux et hospitaliers.

**M. Herbert:** Je dirai simplement, Docteur, que je me sens terriblement bien quand je viens de subir un de ces examens inutiles et qu'on m'a dit que tout va bien.



[Text]

**Dr. Horne:** Well, I was not saying that all examinations are unnecessary. We are talking about if you like—and I am prepared to accept this kind of language—slight departures from the status quo; doing a little less of something and doing a little more of something else. What is often surprising is the kinds of dollar totals that you can generate by talking about, for example, 10 per cent fewer radiological examinations in this country. When you have radiological opinion equally skeptical about the value of the imaging, then it seems to me that is a point of departure and the grounds for a useful dialogue on where the moneys might be usefully allocated.

I might add that that kind of proposition was explicitly acknowledged in Quebec where there was a significant difference, I believe, in provincial policy respecting diffusion of the CAT scanner.

Hospitals that were successful in raising moneys for private financing of the CAT scanners, were told that the operating costs of those units would have to come from existing radiological budgets. So they forced a substitution on radiological departments that most observers and health care analysts would say was a reasonable and well-directed restraint. In other jurisdictions where scanners were laid on as an extra item, and no similar restriction was placed on the end results of private funding, which is something that occurred on a far greater scale in the U.S. than in Canada, there was no way of restricting the implied demand for increased funding.

• 2230

**The Chairman:** I think we should keep in mind that, you know, saving an individual 10 years of his life can pay for 10 of those machines even if the machine only worked on him for 5 minutes. I remember a case very well of a friend of mine who, for some reason or another, had a shoulder operation and there was a little wire that left in there which was supposed to have been taken out. And it was spotted by radiography partly by accident, and the doctors believed that in three years that wire could have punctured his lung. And it was spotted because radiography was made that, you know, maybe did not need to be made. But if it had punctured his lung, he would not be working today. Mr. Blenkarn.

**Mr. Blenkarn:** Yes. You made some comments with respect to doctors. It has been my observation that in parts of this country where it perhaps is not as convenient to live and where the educational opportunities are not as great, we have perhaps a shortage of doctors; whereas I suspect in this city and certainly in my City of Mississauga, it may well be that we have a vast surplus of doctors. I would like you to comment to some extent on that, in view of the fact that we tend to reward doctors on a fee-for-service basis, which is paid on a provincial scale, and so that the scale in Ear Falls is the same as it is in Mississauga or downtown Winnipeg for that matter.

**Dr. Horne:** I am glad you raised that point, Mr. Blenkarn, because I think it is an important qualification to the general observation I made about the perceived doctor surplus. It is a term that applies, I think, only in the aggregate, and it has

[Translation]

**Dr Horne:** Bien, je n'ai pas dit que tous les examens étaient des examens inutiles. Mettons, si vous le voulez—et je veux bien utiliser ce langage—que nous parlons de légères dérogations au statu quo: un peu moins de ceci, un peu plus de cela. Il est souvent étonnant de voir combien cela peut représenter de dollars à la fin, une chose comme, par exemple, une diminution de 10 p. 100 des radiographies dans le pays. Et quand, de surcroît, les radiologues eux-mêmes émettent des doutes sur la valeur de leur représentation, il y a là, me semble-t-il, déplacement d'accent et l'occasion d'un dialogue fructueux sur la répartition la plus utile des ressources.

J'ajouterai qu'il s'est passé quelque chose du genre au Québec où les règles de diffusion des tomographes présentent des différences notables, je crois.

Les hôpitaux qui ont réussi à se procurer un tomographe à l'aide de fonds privés ont été prévenus que les dépenses d'exploitation de ces appareils devaient entrer dans les budgets existants de la radiographie. Ainsi le gouvernement s'est trouvé à imposer aux services de radiographie une substitution que la plupart des observateurs et des analystes de services de santé jugeraient rationnelle et bien inspirée. Ailleurs, où l'appareil est venu s'ajouter à l'ensemble technologique sans qu'une restriction semblable ne soit imposée sur les frais subséquents à l'achat au moyen de fonds privés—ce qui s'est fait beaucoup plus aux États-Unis qu'au Canada—rien n'a pu être opposé aux demandes d'augmentation budgétaire.

**Le président:** Il ne faut tout de même pas oublier que prolonger une vie de dix ans paie amplement pour dix appareils de la sorte, même si la machine n'a fonctionné que cinq minutes pour la personne en cause. Je me rappelle très bien le cas d'un de mes amis. Pour une raison ou pour une autre, il avait dû se faire opérer à l'épaule et une petite tige de fer qui devait être enlevée y fut oubliée. Cette tige, partiellement par accident, a été détectée plus tard à l'occasion d'une radiographie et, de l'avis des médecins, elle aurait pu, au bout de trois ans, perforer le poumon. C'est donc une radiographie qui a révélé sa présence et une radiographie qui peut-être était superflue. Mais sans elle, le poumon aurait été perforé et la personne ne travaillerait plus aujourd'hui. Monsieur Blenkarn.

**M. Blenkarn:** Oui. Vous avez parlé des médecins. Pour ma part, j'ai pu constater que, dans certaines parties du pays, là où la vie est peut-être plus difficile et les occasions de se perfectionner moins nombreuses, il y aurait pénurie de médecins. Par contre, j'ai idée que cette ville-ci et, certainement, la ville d'où je viens, Mississauga, en auraient un énorme surplus. J'aimerais bien connaître votre pensée sur ce point, car, comme vous le savez, la tendance est de rémunérer le médecin à l'acte et selon un tarif applicable à l'échelle de la province, si bien que la tarification pratiquée à Ear Falls est la même que celle qui est appliquée à Mississauga ou, tant qu'à cela, au centre-ville de Winnipeg.

**Dr Horne:** Je suis heureux que vous souleviez ce point, Monsieur Blenkarn, car il me permet de nuancer les observations générales que j'ai faites au sujet du surplus de médecins que l'on croit percevoir. Le terme, à mon avis, ne s'applique



*[Texte]*

been generally acknowledged as such for the last five to six years. If we have a surplus, it can be reckoned in total but not in specific specialties and in specific regions of the country. Shortages persist, for example, in anesthesiology, psychiatry, in certain sectors of the country. This has been recognized, and was recognized in Justice Hall's report.

Insofar as the reward structure discriminates against physicians who locate in areas other than the large metropolitan areas, I think there have been some experiments and ongoing experiments to attempt to lure the prospective practitioner into the historically under-doctored areas. In this province, for example, there have been attempts to introduce differential rewards for physicians locating north of the fifty-third parallel, and a variety of other northern communities. In Ontario there is a fairly aggressive and generous grants scheme that applies to physicians locating in designated under-doctored areas. And most provinces have some form of program in this regard. Whether they work is something that I cannot answer, because it is my impression that turnover rates remain high and, while these programs may be initially successful in locating a physician, the historic complaint of these communities remains that they are having to deal with a new face every six months. It has always seemed to be a way station in a professional career which has as its end point, an urban practice.

I am not sure that the solution is to simply generate earnings opportunities sufficiently disparate between urban and rural communities of this country, that we would find sufficient numbers of physicians willing to practise in these under-doctored areas. I remain more of the view that in these areas we should exploit the known advantages of task delegation, and a variety of team approaches to health care that do not involve the historic reliance and differentially great reliance upon the individual medical practitioner.

It is no longer a research question whether we can safely delegate certain medical acts, for example, to clinically-trained nurses or nurse practitioners. We know it can be done. It is not done because it is not in the political interest, or professional interest more accurately, of the medical associations. They will acknowledge that in those areas where there is an under-doctoring problem, that the nurse practitioner represents a viable alternative. Their enthusiasm for substitutions starts at about the city limits. However, as an alternative to primary care in urban medicine it does not have much to commend, particularly when, as the data suggests, and certainly as your community would illustrate, there is no shortage of general practitioners.

• 2235

**Mr. Blenkarn:** That being the case, would it be intelligent for a provincial government to limit the number of doctors able to practice from a hospital—in other words, with hospital privileges—and so limit the number of doctors able to use the expensive facilities of the hospital—ration the costs?

**Dr. Horne:** Or ration access to those facilities. Certainly, that is one possibility. Another one, which I guess I am more attracted to, is the notion of block budgets set provincially where instead of negotiating annually the fee structure for the

*[Traduction]*

que pour l'ensemble et, d'une façon générale, c'est ainsi qu'on l'entend depuis cinq ou six ans. S'il y a excédent, c'est dans la totalité, non dans certaines spécialités ni dans certaines régions du pays. La pénurie persiste, par exemple, en anesthésiologie, en psychiatrie, et aussi dans certaines régions du pays. C'est un fait admis et le rapport du juge Hall le reconnaît.

Pour ce qui est de la tarification qui défavoriserait les médecins installés ailleurs que dans les grands centres urbains, il y a eu, je crois, des expériences de faites et certaines sont en cours pour attirer les futurs praticiens dans les régions qui, depuis toujours, manquent de médecins. Ainsi, dans cette province-ci, des tentatives ont eu lieu pour établir une tarification différente en faveur des médecins qui s'établissent au nord du 53<sup>e</sup> parallèle et dans diverses localités du Nord. En Ontario, un programme de subventions, qui ne manque ni de générosité ni de dynamisme, est applicable aux médecins qui s'installent dans certaines régions désignées. La plupart des provinces ont quelque chose de semblable. Ne me demandez pas si cela fonctionne; je ne le sais pas, mais j'ai l'impression que la rotation est drue. Sans doute ces programmes réussissent à faire venir un médecin, mais les gens de la place ne cessent de se plaindre qu'ils doivent traiter avec un nouveau-venu tous les six mois. On dirait que ces localités restent une étape au cours d'une carrière professionnelle dont le couronnement est une clientèle urbaine.

Je n'affirmerais pas que la solution au problème est de prévoir des possibilités de gains suffisamment différentes entre la ville et la campagne, et que cela réussirait à amener un nombre suffisant de médecins dans les régions où le manque est chronique. Je songerais plutôt pour ces régions à profiter des avantages connus que donne une délégation des tâches et à une approche où l'accent est mis davantage sur l'équipe sanitaire que sur le médecin particulier.

On ne met plus en doute la possibilité de déléguer, en toute sûreté, certains actes médicaux, par exemple, à des infirmières formées cliniquement ou à des infirmières diplômées. Nous savons tous que cela peut se faire. Si cela ne se fait pas, c'est que ce n'est pas dans l'intérêt politique, ou plus précisément dans l'intérêt professionnel des associations médicales. Elles admettent que, dans les régions où les médecins sont rares, c'est une solution de rechange des plus valables, mais leur enthousiasme pour une telle délégation ne commence qu'aux limites de la ville. Il reste que, pour la ville, cette délégation des soins primaires ne saurait guère se justifier, surtout si, comme l'indique la statistique et le démontre votre ville, il n'y a pas pénurie d'omnipraticiens.

**M. Blenkarn:** Cela étant le cas, un gouvernement provincial serait-il bien avisé de limiter le nombre des médecins rattachés à un hôpital donné, c'est-à-dire le nombre de médecins admissibles à utiliser les installations coûteuses de l'hôpital et ainsi réduire les coûts?

**Dr Horne:** Ou réduire l'accessibilité de ces installations. Il est certain que c'est une possibilité. Une autre possibilité, et je serais porté à la favoriser, est la formule du budget fixe par région. Selon cette formule, la province, chaque année, au lieu

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entire profession, with some goodies thrown in for those who work in the northern regions, to actually designate on a fairly systematic and regular basis those regions within the province that are under a doctor that require a specific level of medical services, and to allocate to those regions a block budget available to practitioners who care to come in, locate and bill against that budget. In areas where too many doctors select into that region, say it is an urban region, then there would be some form of prorationing which would penalize the group as a whole for increasing their numbers beyond those of the approved budget for that region. Similarly there would be unexpended funds in regions that were allocated moneys, claims against which fell short simply because fewer doctors selected in. There would be a signal that there are unexploited practice opportunities in those regions. That would be another way of going about it and perhaps a way that would be less offensive to practitioners than to simply close doors at urban hospitals and say, we have all the numbers of physicians now with attending privileges that we care to have. That is done on a more subtle basis now, I suspect, but rather than a shutting of the door policy, it would be an opening of a new door signifying that there would be different sorts of support in different regions within any given province.

**Mr. Blenkarn:** I gather from some of your evidence tonight that there is some suspicion that when there is a surplus of doctors in an area, perhaps there is a surplus of activity by those doctors that may have a return, but that the returns are seriously diminishing with perhaps overuse of the system by those doctors.

**Dr. Horne:** That is a concern. It is very difficult to demonstrate. It actually harkens back to a point that was made earlier about various technologies and the benefits that might be expected therefrom. We are always dealing with services and technologies that can be, I suspect, demonstrated or argued fairly convincingly to have some level of benefit to some segment of the population. If it were not for that fact, the allocation problem would be pretty simple, because we would be talking about obvious and manifest redundancies or manifestly harmful technologies that do no one any good. The challenge is to allocate scarce resources across competing ends, all of which have some arguable benefit. It is a question of balancing off, in many cases, very large costs against very small benefits.

Now in the case of what you might call routine general medicine—and here I must emphasize that I am an economist, not a physician, so I do not speak with the necessary authority I suppose—it is commonly suspected, though never convincingly demonstrated, that there are in fact services that yield little or no benefit to patients. In a system where the profession, I would say, has conditioned the consuming public to expect at the very least reassurance, and as long as some degree of reassurance transacts between the patient and the physician in the course of an ordinary contact, it is very difficult to unambiguously establish that these are “unnecessary” encounters. As one of my colleagues so forcefully pointed out, just because you suspect, for example, that X per cent or 20 or 30

*[Translation]*

de négocier une structure tarifaire applicable à toute la profession, avec quelques suppléments pour ceux qui œuvrent dans les régions du Nord, désignerait, d'une façon systématique et régulière, les régions de la province qui exigent un niveau déterminé de services médicaux et, dans chacune, mettrait un budget fixe à la disposition des praticiens qui veulent venir s'y installer et émarger à ce budget. Dans celles que choisiraient trop de médecins, mettons une région urbaine, une formule de partage punirait le groupe dans son ensemble pour avoir grossi au delà du nombre prévu par le budget approuvé pour la région. En même temps, des fonds resteraient inutilisés dans les régions où le nombre trop faible de médecins n'aurait pas épuisé le budget alloué. Et ce serait là un signe que ces régions offrent des occasions fructueuses pour l'exercice de la médecine. Ce serait une autre façon de procéder et peut-être, pour les praticiens, une manière moins blessante que de simplement fermer la porte des hôpitaux urbains et de dire que nous avons le nombre voulu de médecins officiellement rattachés à l'hôpital et que nous ne tenons pas à en avoir davantage. Je soupçonne bien que la chose se fait actuellement, mais d'une manière plus subtile. L'autre manière, au lieu de fermer des portes, en ouvrirait de nouvelles et montrerait qu'à l'intérieur même de la province différentes régions offrent différents genres d'avantages.

**M. Blenkarn:** Je déduis de certains passages de votre témoignage, ce soir, que là où les médecins sont en surnombre, il pourrait y avoir un surplus d'activité rentable de la part de ces médecins, mais que la rentabilité tend à diminuer sérieusement par suite de l'abus du système par ces médecins.

**Dr Horne:** C'est un sujet d'inquiétude. C'est très difficile à démontrer. À dire vrai, la question nous reporte à ce qui a été dit plus tôt sur les différentes technologies et sur les avantages dont on en peut tirer. Il s'agit toujours de services et de technologies dont il est facile, j'imagine, de démontrer d'une façon convaincante le degré d'utilité pour quelque secteur de la population. S'il n'en était pas ainsi, la dotation serait assez simple, car les cas de double emploi ou de technologie nuisible deviendraient évidents. Le problème qui se pose, c'est de répartir des ressources rares entre des objectifs qui se concurrencent et dont les avantages sont également démontrables. Dans bien des cas, il s'agit de trouver le point d'équilibre entre des coûts énormes et des avantages infimes.

Prenons le cas de ce qu'on pourrait appeler la médecine générale courante. Ici je dois faire remarquer que je suis économiste, non médecin, et que je ne saurais, je suppose, parler avec l'autorité voulue. Néanmoins, dans le cas de la médecine générale, il y aurait, dit-on un peu partout, mais la chose n'est jamais démontrée hors de tout doute, des services qui apportent peu, sinon rien, aux malades. Dans un régime où la profession, si je puis dire, a habitué le consommateur à s'attendre à au moins un certain réconfort, tant qu'au cours des consultations un degré quelconque de réconfort passera du médecin au malade, il sera très difficile d'établir sans ambiguïté qu'il s'agit de consultations inutiles. Comme l'a si bien dit l'un de mes collègues, le simple fait de soupçonner que X p.



## [Texte]

per cent of visits to the physician might be unnecessary, you do not have an argument for funding 30 per cent of the costs all of the time, because there are some visits that will in fact be useful and beneficial. The problem is we do not have mechanisms that adequately filter out the trivial complaints. I might add on that score that the CMA is hard pressed, in my view, to argue that price rationing at the office level by imposition of direct charges on patients is the way to filter out these competing demands for a physician's time.

If you look over time at the statements of the College of Family Practitioners of Canada, their model has no role for charges on patients. It is predicated on providing appropriate care on the basis of continuing and comprehensive relationships with the family practitioner by which the practitioner comes to understand the particular symptom reporting tendencies of his families and individuals and can to some degree triage out or select out or screen out those calls that are thought to be making inappropriate use of his time or her time. In that scheme of things there is much more emphasis on patient education, health education, than there is on an arbitrary and across-the-board imposition of prices at the office level. There just is not a shred of evidence that I am aware of that suggests that user charges of one sort or another are the way to go on this one. It is bad economics and bad medicine.

**Mr. Blenkarn:** Thank you.

**The Chairman:** Thank you very much, Dr. Horne, for your testimony. I want to thank you on behalf of the members for having accepted to come at short notice. It is a different kind of testimony than we normally get. To some extent we seek that as we have to balance our testimony. There are always many sides to every issue. I thank you very kindly for your testimony; it will be helpful in our deliberations and in the preparation of our report. Thank you.

We will now continue. We have one more witness organization which asked to be heard. I would ask Mr. Allan Simpson and Mr. Jim Derksen from the Coalition of Provincial Organizations of the Handicapped to please come forward. Copies of the submission of the organization are being prepared for members. We should receive them any time now. I would like to mention that Mr. Jim Derksen who, I believe, is the gentleman in the blue shirt, was a policy adviser, I believe, to the Parliamentary Task Force on the Handicapped. He worked at the Committees Branch for a while. We would like to welcome you, Mr. Derksen, particularly again to the Parliamentary precincts of the Winnipeg Holiday Inn.

**Mr. Allan Simpson (Chairman, Coalition of Provincial Organizations of the Handicapped):** Mr. Chairman, I would like to introduce as well an assistant, Mr. Leonard Schmidt to my right, the Chairman of the Manitoba League of the Physically Handicapped, which is a member of our national body COPOH, as an associate here at this presentation. He has a very brief comment he would like to make later on.

## [Traduction]

100 ou 20 ou 30 p. 100 des consultations sont peut-être inutiles n'est guère un motif pour ne rembourser que 30 p. 100 des coûts dans tous les cas, car il y a réellement des consultations qui sont nécessaires et bénéfiques. La difficulté, c'est que nous ne disposons d'aucun mécanisme pour identifier les visites superflues. J'ajouterai sur ce point qu'à mon avis l'Association médicale canadienne force un peu la note, quand elle prétend que faire payer directement par le malade la consultation en cabinet privé est un moyen de rationaliser la demande à la porte du médecin.

Il suffit de parcourir les déclarations faites de temps à autre par le Collège des médecins de famille du Canada pour voir que l'imposition d'honoraires au malade n'a pas de place dans le modèle d'exercice de cette organisation. Ce qui inspire ce modèle, c'est la prestation des soins qui s'imposent sur la base d'une relation continue et totale avec le médecin de famille. De la sorte le praticien vient à connaître la façon particulière de chaque famille et de chaque individu de faire connaître ses malaises et peut, dans une certaine mesure, identifier et prévenir les appels qu'il juge n'être qu'abus de son temps. Dans un pareil régime, l'éducation du malade et l'information en matière de santé trouvent davantage leur compte que dans l'imposition arbitraire et généralisée d'un prix pour la consultation dans le cabinet du médecin. Absolument rien, que je sache, ne prouve que facturer le malade est la solution. C'est de la mauvaise économie et de la mauvaise médecine.

**M. Blenkarn:** Merci.

**Le président:** Tous mes remerciements, monsieur Horne, pour votre témoignage. Je tiens aussi, au nom de mes collègues, à vous remercier d'avoir accepté une invitation envoyée un peu tard. Le vôtre est un témoignage quelques peu différent de ceux que nous entendons d'habitude. Dans une certaine mesure, c'est cela que nous cherchons afin de bien nuancer nos conclusions, car il y a plus qu'une seule facette à chaque problème. Soyez remercié et sachez que vos paroles aideront à nos délibérations et à la rédaction de notre rapport. Merci.

Nous continuons donc la séance et nous entendrons une dernière association qui a demandé à témoigner. Je demande à M. Allan Simpson et à M. Jim Derksen, représentants de la Coalition des associations provinciales d'handicapés, de bien vouloir s'approcher. Des copies du mémoire de cette association sont en train d'être tirées et nous devrions les recevoir d'une minute à l'autre. Je tiens à mentionner que M. Jim Derksen, qui, je crois, est le monsieur qui porte une chemise bleue, a été conseiller en matière de politique auprès du groupe de travail chargé de la question des personnes handicapées et qu'il a travaillé pendant un certain temps à la Division des comités. Soyez le bienvenu, monsieur Derksen, et de nouveau en cette enceinte parlementaire du Holiday Inn de Winnipeg.

**M. Allan Simpson (président, Coalition des associations provinciales d'handicapés):** Monsieur le président, permettez-moi d'abord de présenter aussi un collaborateur, M. Leonard Schmidt, ici à ma droite. Il est président de la Manitoba League of the Physically Handicapped, qui est un organisme membre de notre coalition nationale. M. Schmidt se joint à nous pour cette présentation et il aura un bref commentaire à faire plus tard.



## [Text]

Mr. Chairman and members of the task force, as chairman of the COPOH, the Coalition of Provincial Organizations of the Handicapped, we are indeed honoured to be here and to make a brief presentation on behalf of our members and organizations right across Canada.

To briefly summarize, COPOH began in 1973, was formalized in 1974 and has been around a few years bringing together the voice and concerns of disabled citizens as consumers of the services you are talking about, and the federal-provincial legislation and programs that you are examining. The consumer movement in this country, while a recent phenomenon, tries to provide a forum and a voice through democratic decision-making conferences, that is unique to the people who have to receive your services and your type of federal leadership and provincial leadership where such exists at times. The truth of the matter is that COPOH came in to being on the realization that whatever we did at the provincial level had a counter effect at the federal level and that, to bring about important effective changes in our country. The services that we are trying to achieve meant a sharing between federal and provincial jurisdictions.

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Now COPOH is not a service agency. I want to make it very clear that we provide a monitoring evaluation and an input process. We do, through the movement, spin off service delivery systems, demonstration projects, research projects and others that try to demonstrate to the community, to the federal and provincial authorities new ways of effectively and efficiently delivering services or new ways of dealing with disabled citizens.

The first point I wish to make is that we have not been encouraged or invited by our committee in earlier stages to develop well-prepared briefs and submissions by the consumer movement across Canada—a pledge that the previous parliamentary committee on the handicapped was able to encourage and sponsor. The point I am trying to make is that in this country, there are well-funded, well-financed, well-staffed professional agencies with their point of view and their prospectus. At the same time, there are voluntary organizations of disabled people without basic funding and without staffs. It takes a lot more work and a lot more co-ordination to bring handicapped citizens who are on the receiving end of these services together and to democratically co-ordinate and articulate their views and concerns. So the presentation here brings together resolutions and briefs that have come from our previous national conferences. It gives you an example of the kind of issues we have and the concerns we have.

The first point we wish to make is that in this particular year, 1981, the International Year of Disabled Persons, we believe it is high time that all federal authorities, including

## [Translation]

Monsieur le président et messieurs les membres du groupe de travail, comme président et membre de la Coalition des associations provinciales d'handicapés, nous sommes sensibles à l'honneur que vous nous faites de nous recevoir ici, et de nous permettre de présenter un bref mémoire au nom de nos membres et de nos associations à travers le Canada.

En résumé, notre organisme a débuté en 1973 et a été officiellement établi en 1974. Depuis quelques années, donc, il est le porte-parole des citoyens infirmes dans leur rôle de consommateurs des services dont vous parlez et de clients des lois et des programmes fédéraux et provinciaux que vous examinez. Le mouvement des consommateurs dans notre pays, quoique récent, se veut un forum ou une voix qui se fait entendre au moyen de conférences décisionnelles démocratiques. C'est une occasion unique pour les gens que visent vos services et, le cas échéant, votre genre de leadership fédéral et de leadership provincial. Le fait est que notre coalition a vu le jour quand nous nous sommes rendu compte que ce que nous faisons au niveau provincial n'était pas sans effet au niveau fédéral et afin de susciter des changements profonds et utiles dans le pays. Ce que nous tâchons de réaliser suppose un partage entre les compétences fédérales et les compétences provinciales.

La Coalition n'est pas un organisme de service. Je tiens à dire très clairement que notre mandat est l'évaluation de contrôle et le conseil. Notre mouvement suscite la mise sur pied d'entreprises de prestation de services, de projets pilotes, projets de recherche et autres, dont l'objet est de montrer à la communauté et aux autorités fédérales et provinciales de nouvelles façons de fournir des services d'une manière efficace et efficiente ou de nouvelles façons de traiter avec les citoyens handicapés.

Il faut d'abord dire que votre comité, dans ses débuts, ne nous a guère encouragés, c'est-à-dire ne nous a pas invités à venir lui communiquer des mémoires et des présentations bien préparés par le mouvement des consommateurs du Canada,— chose que n'avait pas manqué de faire le comité parlementaire précédent, celui chargé d'étudier la question des personnes handicapées. Ce que je tente de démontrer, c'est que, dans notre pays, s'il y a d'un côté des organismes professionnels, avec leur point de vue et leur documentation, des associations professionnelles bien subventionnées, bien financées et riches en personnel, il y a aussi, d'un autre côté, des groupements de personnes handicapées, de caractère bénévole et dépourvus de ressources et de personnel. Cela exige un travail énorme et un effort soutenu de coordination pour regrouper ensemble les citoyens handicapés, toujours bénéficiaires des services, et pour, d'une façon démocratique, organiser et exprimer leurs vues et leurs inquiétudes. C'est dire que le texte que nous vous présentons aujourd'hui regroupe des résolutions et d'autres textes qui proviennent de nos conférences nationales du passé. Vous y trouverez un échantillon représentatif des problèmes que nous avons et des inquiétudes que nous nourissons.

Je tiens d'abord à faire remarquer qu'en cette année 1981, qui est l'Année internationale des personnes handicapées, c'est, à notre avis, le moment plus que jamais, pour toutes les

## [Texte]

task forces, recognize that disabled Canadians have a voice to be heard and have a role to play in providing a monitoring and evaluation process to your kind of study process. It does take extra work and extra effort on your part to reach out to many disabled groups across this country that are not, as I repeat, funded as the professional agencies and services are. But they have important messages and lessons to provide.

We want you to accept the principle that in our organization we firmly believe that we are Canadians first and residents of our province second. That means that for services, legislation and leadership we look to the federal authorities, and that implies federal cost-sharing agreements, that implies a total disagreement with block funding.

Since 1974, when the social services legislation was presented by Mr. Lalonde, we opposed block funding because we have seen with our own membership and our own results the lack of consistent services and standards across this country, and those inconsistent services have led to many problems of independent living and contribution to our society.

For example, the electric chair that I use here is as important to me as any of the fundamental things in your life. It is my mobility; it is my transportation; it is my opportunity to go to work and share with my wife in the family process; to build a home and to maintain my lifestyle. One hundred miles to the east, in Ontario, that is not an insured service as it is here, it is a charity system. We have examples of members in hospitals for six months waiting for someone to find a charity dollar to raise the money for that electric wheelchair, so they can move.

• 2250

Now, those are the kinds of examples we have across this country of the inconsistent services and standards that make us believe very strongly, as we did in the constitution debates, in supporting the notion of a Canada which places citizenship first, as a national principle and provincial citizenship for residential status as a secondary responsibility. So, we call upon you, in whatever powers you have in persuading the federal government and Cabinet, that conditional block funding or, more important, cost-sharing agreements is to our way of thinking, the most effective means of ensuring fundamental services across this country for those which are essential services, not that the provinces should not have leeway in between and above those which are essential services.

It does take a lot of leadership to determine, in consultation with consumer groups, which services are fundamental to life and which ones are unique to a provincial government's cultural or linguistic or ethnic differences. That is where the consumer movement comes into it. That is where our experiences come into it. We stand prepared, as we have with other

## [Traduction]

autorités fédérales, y compris les groupes de travail, de reconnaître que les handicapés canadiens ont le droit de se faire entendre et qu'ils ont un rôle à jouer dans la surveillance et l'évaluation des études comme la vôtre. Sans doute, de votre part, cela exige un supplément de travail et un supplément d'effort, pour rejoindre les différents groupements d'handicapés du pays, car ceux-ci, je le répète, ne disposent pas des ressources financières que les organismes et services professionnels possèdent. Ils ont néanmoins des messages importants et des leçons importantes à donner.

Nous vous demandons d'accepter le fait que, dans notre organisation, nous avons la ferme conviction d'être d'abord Canadiens et ensuite habitants d'une province. C'est dire que c'est du côté des autorités fédérales que nous attendons services, mesures législatives et initiative; ce qui implique notre accord pour le partage des frais et notre désaccord pour le financement par budget fixe.

Depuis 1974, année où M. Lalonde a présenté une législation sur les services sociaux, nous sommes opposés au financement par subventions fixes, car nos organismes membres et nous-mêmes nous avons pu constaté le manque de services coordonnés et de niveau de service dans le pays. Cette disparité n'a cessé d'entraver ce que nous cherchons pour les handicapés, une vie autonome et une contribution à la société.

Par exemple, la chaise roulante électrique dont je me sers ici est aussi importante pour moi que l'est pour vous n'importe quelle chose que vous considérez comme essentielle pour la vie. Elle me permet d'être mobile, de me transporter, de travailler, d'avoir une vie de famille et de maintenir mon niveau de vie. Pourtant à cent milles à l'est d'ici, en Ontario, cette chaise n'est pas garantie à qui en a besoin; elle relève de la charité publique. Nous connaissons de nos adhérents qui attendent depuis six mois à l'hôpital qu'une bonne âme se décide à faire le don d'une chaise roulante électrique qui lui permettrait de se mouvoir.

Voilà ce qui arrive dans le pays quand les services sont différents et les normes disparates. Et c'est cela qui nous incite fortement, comme nous l'avons fait dans le débat sur la constitution, à préconiser la notion d'un Canada qui, comme principe, place la citoyenneté nationale en premier lieu et la citoyenneté provinciale en deuxième lieu, comme statut de résidence. Nous faisons appel à vous et à l'influence que vous pouvez avoir sur le gouvernement fédéral et le Conseil des ministres, pour que l'on sache qu'à notre point de vue la subvention conditionnelle, ou mieux, le partage des frais est le moyen le plus efficace pour assurer partout au pays le minimum nécessaire dans les services essentiels. Ce n'est pas à dire que les provinces ne doivent pas jouir d'une certaine liberté dans tout ce qui est au-dessus des services essentiels ou qui ne leur touche pas.

Il faut une direction très éclairée pour déterminer, de concert avec les groupements de consommateurs, quels services sont essentiels à la vie et lesquels sont particuliers au contexte culturel, linguistique ou ethnique d'une province. C'est ici que peut intervenir le mouvement des consommateurs. C'est ici que notre expérience peut être précieuse. Nous sommes prêts,



*[Text]*

committees and departments, to offer input and our views on those fundamental services. We do have a history of strong concern with CAP and VRDP—the implementation is inconsistent across this country. The bureaucracy and what we call the multi-million dollar rehabilitation industry which exists in this country and uses—without our knowing the exact figures, but from observations—a good large proportion of those funds that you put out, are elaborate systems which we think can be improved.

Our national conference in Vancouver last summer looked very closely at the independent living philosophy, and my colleague to my left, Jim Derksen, would like to comment very briefly on the philosophy, the economic justification and value of the independent living philosophy which may give you some answers for how to save tax dollars and yet provide a more effective means of delivery services, utilizing handicapped persons to our own needs. Jim.

**Mr. J. Derksen (Policy Planning Co-ordinator, Coalition of Provincial Organizations of the Handicapped):** Thank you. The term “independent living”, as it is presently used in reference to disabled people, comes from America. It was coined by disabled people whose disability was so severe that traditional rehabilitation agencies and service processes gave up on them. They, however, did not give up on themselves. They found ways and means to achieve an education, to help each other and to help other disabled people like them achieve an independence and an integration that was seldom achieved by people going through the traditional rehabilitation process.

Key features of independent living are that it goes straight to the heart of the matter—the independence and integration that are known to able-bodied people and are very much desired and sought by disabled people. Instead of having intervening objectives such as the ability to put on a shirt—a physiotherapist might work long months with someone to achieve this, or the ability to take ten steps out the door—these things are part of the process on the way to independence in some instances, and in some instances, for severely disabled people, they are merely the red herring, you would rather accept the fact that you are not going to be able to put on that shirt or take those ten steps and have enough energy left over to manage your own life. So, you find a mechanical aid or a personal care attendant to overcome those kinds of physical barriers that may exist.

I think one way to illustrate independent living is to compare the home care services with the attendant care services, which latter services have been developed by the Independent Living Movement in the States. I am sure many briefs, some of which I have read, have recommended to you the home care model as being a very good model. It is one that is immature and only developed in some provinces. Now, it may be a very good model and may deserve full development in Canada. However, it is a service that is provided to people who are ill at home and who require some care at home. Now, this service,

*[Translation]*

comme nous l'avons été pour d'autres comités et pour les ministères, à offrir notre contribution et à faire connaître nos vues sur les services qui sont essentiels. Des programmes comme CAP et VRDP n'ont jamais cessé de nous causer des ennuis; leur application diffère tellement d'une région à l'autre. L'appareil bureaucratique et l'industrie multi-millionnaire de la réadaptation qui existe dans le pays,—et qui, selon nos observations, car nous n'avons pas de chiffres précis,—absorbent une bonne part des fonds que vous fournissez, sont tous les deux des systèmes compliqués que nous croyons pouvoir améliorer.

Notre conférence nationale de Vancouver, l'été dernier, a étudié de près le concept d'une vie autonome. Mon collègue ici, à droite, Jim Derksen, aimerait vous l'expliquer brièvement et vous en donner les justifications et la valeur économiques. Vous y trouverez peut-être des éléments de solution au problème qui se pose d'économiser l'argent des contribuables et, en même temps, de trouver un moyen plus efficace de fournir les services, par l'utilisation des personnes handicapées elles-mêmes. Jim.

**M. J. Derksen (Coordonnateur de la planification des politiques, Coalition des associations provinciales d'handicapés):** Merci. Le terme de vie autonome, dans son emploi actuel à l'égard des infirmes, vient des États-Unis. On le doit à des infirmes dont l'infirmité était si grave que les organismes et services traditionnels de réadaptation se sont déclarés incapables de faire quelque chose pour eux. Les infirmes eux-mêmes, toutefois, n'ont pas abandonné. Ils ont trouvé moyen de s'instruire, de s'aider les uns les autres et d'aider d'autres invalides comme eux à devenir indépendants et à s'intégrer, et cela dans une mesure rarement atteinte par les personnes qui utilisent les moyens habituels de réadaptation.

Ce qui fait la force du concept de vie autonome, c'est qu'il va droit au cœur du problème—cette indépendance et cette intégration que connaissent les gens valides et que recherchent inlassablement ceux qui ne le sont pas. Il ne vise pas à faire atteindre des objectifs gradués, comme par exemple de pouvoir mettre une chemise ou de faire dix pas hors de la porte—un physiothérapeute peut passer des mois et des mois à enseigner cela à quelqu'un. Bien sûr, ces choses sont, dans certains cas, des étapes nécessaires vers l'indépendance. Mais dans d'autres cas, celui des personnes très infirmes, ce n'est qu'un leurre. Mieux vaut accepter une fois pour toutes le fait qu'on ne pourra jamais mettre soi-même sa chemise ou faire dix pas et employer son énergie à organiser sa propre vie. Et pour ces mouvements physiques qu'on ne peut faire, on trouvera un instrument quelconque ou l'aide d'une personne.

Une façon, je crois, de faire voir ce qu'est la vie autonome est de comparer les services de soins à domicile et les services d'assistance personnelle, services mis sur pied aux États-Unis par l'Independent Living Movement. Bien des mémoires—et j'en ai lu—vous ont recommandé le service de soins à domicile comme étant un excellent service. Il ne serait pas à point et seules certaines provinces le possèdent. Il se peut que ce soit une excellente formule et qu'elle mérite d'être exploitée à fond au Canada. Il s'agit, toutefois, d'un service destiné aux malades à la maison et qui exigent des soins à la maison. Or là où il



*[Texte]*

where it is developed, has been stretched inappropriately to meet the needs of disabled people who are not ill. It does not fit very well. It is generally available between 9.00 and 5.00. This is very problematic when the disabled person has a job or has to go to school and really requires the assistance in the evening and in the morning. It is also very inappropriate, inasmuch as the home-care person is supervised, recruited, trained, and so on, on the assumption that he is going to be caring for an ill person. The ill person is generally thought to benefit most when keeping to doctor's orders, getting to bed early, and so on, whereas the healthy person's sense of initiative and pride and independence, is hindered by these kinds of constraints.

• 2255

Therefore the Attendant Living Services, as developed first of all in California, said what is most important is that the disabled person retain his independence and his integrity while at the same time having the benefit of this assistance. Let us eliminate all the middlemen who train these people; let us eliminate the doctors who make up the administration of the home-care system; let us eliminate all the administration of pay-rolls and recruits; then let us evaluate how much this severely disabled person needs in the way of help every day and let us assign a minimum wage value to that per hour and let us mail him a cheque every month. That has been operating now in California, for instance, for 14 years, and it has enabled severely disabled people in California to become tremendously independent, tremendously integrated, tremendously participating in the economic life of their state. This is now being promulgated throughout America and it is beginning to be thought about in parts of Canada.

I notice that another brief to your committee, an analysis of how we have arrived at the present state of federal-provincial cost-sharing of certain functions, says it has to do with the federal government's ability to tax and spend under Section 92.1 of the BNA Act, in which the federal government is constrained either to provide cash directly to individuals or services indirectly through provincially administered delivery systems. Well, I am just going to take advantage of that little bit of information to suggest that the personal care needs of a disabled person—I am not talking about a sick disabled person now, but a disabled person who is healthy—have more to do with fundamental civil rights—the liberty to get out of bed in the morning, even when it takes a bit of a hand to do so; the liberty to go to the washroom when you are on the job, because that makes it possible to have a job, and I am going to say it has more to do with the kind of heritage Canadians would like to have or to perceive as part of their national heritage—a kind of civil liberty which might in fact be directly funded by the federal government rather than misconstrued as a health matter and indirectly administered through provincial health authorities.

I can tell you I have been disabled since I was 6 years old. I have been ill in that period of time; but those intervening 28 years have been for the most part very healthy years. I have

*[Traduction]*

existe on a fait l'erreur de l'étendre aux personnes invalides et les personnes invalides ne sont pas des malades. D'ailleurs il s'adapte mal à la situation de l'invalidé. Il est en général disponible entre neuf heures et dix-sept heures; ce qui n'est guère commode quand la personne infirme a un emploi ou qu'elle fréquente l'école, et que c'est réellement le soir et le matin qu'elle a besoin d'aide. Une autre chose aussi qui rend le service peu propre à aider l'infirme est que le préposé aux soins à domicile est une personne recrutée, formée et dirigée comme si elle allait prendre soin d'un malade. Par exemple, un malade a tout intérêt à suivre strictement les ordres du médecin, à se coucher tôt, etc. Pour la personne en santé, ce sont là des contraintes qui blessent son sens de l'initiative, son orgueil et son indépendance.

Pour les services d'assistance personnelle, qui ont vu le jour d'abord en Californie, l'important est que la personne infirme conserve son indépendance et son intégrité, tout en bénéficiant d'une certaine aide. Éliminons les frais de formation des préposés, éliminons le salaire des médecins qui dirigent les services de soins à domicile et les frais d'administration des services de paye et de recrutement. Une fois cela fait, évaluons l'ampleur de l'aide dont la personne gravement invalide a besoin chaque jour, fixons un salaire horaire minimum à cette aide et adressons un chèque chaque mois à la personne infirme. C'est ce qui se fait depuis 14 ans en Californie et cela a permis aux personnes gravement handicapées de cet État de devenir on ne peut plus indépendantes, on ne peut plus intégrées et participant largement à la vie économique de l'État. C'est la formule qui se répand aux États-Unis et qui commence à retenir l'attention dans certaines parties du Canada.

Un autre mémoire présenté à votre comité se demande comment on en est arrivé à la situation actuelle du partage des coûts de certaines fonctions entre le fédéral et le provincial, et conclut que c'est le pouvoir de lever des impôts et de dépenser, que lui donne l'article 92 de l'Acte de l'Amérique du Nord Britannique, qui oblige le gouvernement fédéral soit à verser directement de l'argent aux personnes physiques soit à leur fournir indirectement les services par l'entremise de programmes administrés par les provinces. Ce renseignement me donne l'occasion de faire remarquer que les besoins personnels des personnes invalides—je ne parle pas des invalides qui sont malades, mais des invalides qui sont en santé—ressortissent vraiment aux droits fondamentaux, à la liberté de se lever le matin, même s'il faut un peu d'aide, la liberté d'aller aux toilettes pendant le travail, ce qui permet d'avoir un emploi. Je le répète, c'est une affaire qui relève davantage de ce que les Canadiens aimeraient considérer comme partie intégrante du patrimoine canadien, c'est une question de liberté civile. Ce sont des cas où le financement direct par le gouvernement fédéral est plus logique que de les considérer comme une question de maladie et de les financer indirectement, en le faisant administrer par les autorités provinciales.

Je vous le dis, je suis invalide depuis l'âge de six ans. J'ai été malade, bien sûr, à certains moments, mais les 28 ans qui se sont écoulés depuis ont été en somme des années de santé

[Text]

done all the ordinary things most people growing up to the age of 34 have done in this country. The appropriate kind of help I have needed on the way had nothing whatsoever to do with medical matters.

These services are sadly lacking now. The other feature I wanted to mention about them is that as with the small example I gave you, the control by the disabled individual is maximized. Other kinds of independent living services have to do with trouble-shooting through a bureaucratic system or helping the disabled individual trouble-shoot through a bureaucratic system to achieve the support service he needs to function independently and in a contributing manner in society. Other kinds of independent living services are peer counselling, both to overcome the trauma of new disablement and to live in this world where attitudes towards disabled people and systemic kinds of prejudice are very prevalent. One sometimes needs to share that with someone else experiencing it to maintain sanity.

Thank you.

• 2300

**Mr. Simpson:** Thank you, Jim. We will come back to comments there.

To cap one of the things Jim is also saying, the risk-taking and responsibility-sharing are a fundamental part of our philosophy. Through the independent-living philosophy and risk-taking by living in society, we have seen people grow, through regular school systems, regular employment, regular work experience, rather than through sheltered workshops with 60 cents a day wages where people are producing real contract goods and being left on social allowance cheques unnecessarily—continuing examples of not being allowed to take part in the full life of our communities in the regular way, with the regular risks and responsibilities.

Just an example of this, from Leonard here—the problem we also have of disincentives, disincentives to break away from the social allowance system and to take up meaningful employment. We do not have an answer for why it works this way. We do not know if it is the mathematics or the formulas or the bureaucracy or the financial workers or what it is; but the number of people we have who have tried to break out of the social allowance dependency system and attempt employment and then find, with some problems, that it is better not to have broken away in the first place—Len, would you just give us an example you have gone through recently?

**Mr. Leonard E. Schmidt (Coalition of Provincial Organizations of the Handicapped (Chairman, Manitoba League of the Physically Handicapped)):** I will give you a personal one. For the first two weeks of March, I was enrolled in a real estate course. After having taught for 17 years I had to leave the teaching profession because I was afflicted by arthritis in

[Translation]

florissante. J'ai fait toutes les choses normales qu'une personne de 34 ans a pu faire jusqu'ici dans notre pays. Ce que j'ai pu avoir besoin en matière d'aide ne relève d'aucune façon de la médecine. Malheureusement, une aide de la sorte n'existe pas à l'heure actuelle.

L'autre aspect que je veux mentionner au sujet des services d'assistance personnelle, c'est que, comme dans l'exemple que j'ai donné, ils maximalisent la maîtrise de sa vie par la personne invalide elle-même. D'autres types de services de vie autonome visent à aider à s'y retrouver dans la bureaucratie, ou à aider les infirmes à se débrouiller dans le système bureaucratique quand ils cherchent l'appui dont ils ont besoin pour fonctionner d'une façon autonome et apporter une certaine contribution à la société. Dans l'arsenal des services de vie autonome, on trouve aussi le conseil par les pairs. C'est important, pour surmonter le choc inévitable quand on se voit soudain devenu invalide et pour apprendre à vivre dans un monde dont l'attitude envers les personnes affligées d'une infirmité reste encore pleine de préjugés. Il est parfois nécessaire de partager avec les autres ses expériences pour ne pas perdre complètement la tête.

Merci.

**M. Simpson:** Merci, Jim. Nous reviendrons sur ce que vous avez dit.

Dans la veine des propos de Jim, je dirai que l'obligation de prendre des risques et d'assumer ses responsabilités est aussi un élément fondamental du concept. Grâce à cette philosophie qui prône la vie en autonomie et la prise des risques que comporte la vie en société, des gens grandissent, passent par le système scolaire ordinaire, trouvent un emploi ordinaire et vivent une vie de travail comme tout le monde, au lieu de finir dans un atelier protégé au salaire de 60 cents par jour, produisant un produit qui se vend au prix du marché et devant compter sur l'assistance sociale pour vivre, toujours empêchés de participer pleinement à la vie de la communauté d'une façon normale avec les risques et les responsabilités que cela entraîne.

Mon collègue, Leonard, qui est ici peut vous donner un exemple de cela. Car il y a aussi ce problème que les gens perdent toute envie ou désir de sortir du réseau de l'assistance sociale et de se trouver un emploi qui les fasse vivre. Nous ne savons ce qui cause cela. Est-ce quelque chose d'inhérent au système trop bureaucratique ou quelque chose de financier? Nous le savons pas. Mais il y a eu des gens qui ont tenté de se soustraire à la dépendance de l'assistance sociale et de trouver un emploi, mais, confrontés à certains problèmes, ils ont constaté qu'il n'auraient pas dû abandonner l'assistance sociale en premier lieu—Len, pouvez-vous raconter une expérience que vous avez vécue dernièrement?

**M. Leonard E. Schmidt (Coalition des associations provinciales d'handicapés (président, Manitoba League of the Physically Handicapped)):** Je vous citerai mon propre cas. Au cours des deux premières semaines de mars, j'ai suivi un cours de courtier en immeubles. Je venais de quitter l'enseignement après 17 ans, parce que l'arthrite était venue s'ajouter à la



## [Texte]

addition to my cerebral palsy, with which I was born. I phoned the Canada disability counsellor here in Winnipeg and I discussed the possibility of my re-entry into the work stream. I was told that as soon as I was accepted by a broker or real estate agency, I would be cut off. I have never gone back since to look for employment.

What I feel is wrong with that system right now is everything is seen in whites and blacks. There are no greys. Yet most of us disabled persons live in a grey area. I make allusion to the obstacles in the report by the Committee on the Disabled and the Handicapped. In their section on income—staggering; that is to say, getting people back into the work force by incentive or in such a way that they do not lose all their disability pension as soon as they are employed—it does not make sense. It is a disincentive.

Here in Manitoba we are also in favour of handicapped input or participation in the determining of priorities regarding expenditure of funds for health maintenance, for rehabilitation, not only on the federal scene but also on the provincial scene. This input or participation by the handicapped is to us more important than monitoring by other vehicles; that is to say, a paternalistic type. So we join the ranks of those people like Dr. Hildes, who preceded me and came after Dr. Thomas, when he talked about native input or participation in monitoring the delivery system of health care.

**Mr. Simpson:** Thank you, Len.

In summary, we look at a number of provincial implementation systems with a lot of inconsistencies, a lot of bad management, a lot of examples of individuals who have worked through summer Canada Works projects for our organization, for example, gone back to school and, through these summer projects, tried to get some assistance to maintain their livelihood. It took six months to get the bureaucracy working and they decided it was not worth going to work and they would not try it again. Those kinds of problems we believe we can have an effective input in through a re-examination of the delivery systems that you are involved in through CAP and the other kinds of agreements.

• 2305

The final point: We must emphasize that our movement strongly believes in is utilization of the regular community delivery systems. Where you have CEIC, CMHC, transportation authorities—those are the delivery systems we intend to see develop the understanding of skills, which they already have in their technical areas, to service our needs. We do not see this as rehabilitation or medical services responsibilities. We and our consumer movement have been pressing Transport Canada, CMHC and all the rest of the authorities to carry out their full responsibilities.

## [Traduction]

paralysie cérébrale dont je suis affligé depuis la naissance. J'ai téléphoné au conseiller en matière d'invalidité du gouvernement canadien ici à Winnipeg pour discuter de la possibilité de mon retour au monde du travail. On m'a dit que du jour où un courtier ou une agence m'engagerait, toute aide me serait retirée. Je n'ai jamais tenté depuis de trouver un emploi.

A mon avis, ce qui ne va pas du tout dans le système, c'est que tout est blanc ou noir. Il n'y a pas de zone grise. Et pourtant, pour la plupart d'entre nous, les invalides, la vie se passe dans une zone grise. Dans le rapport du comité chargé d'étudier la question des invalides et des handicapés, j'ai fait mention de ces obstacles, dans la partie consacrée à l'échelonnement du revenu, la question étant d'amener les gens à réintégrer le monde du travail par des moyens incitatifs et de façon telle qu'ils ne perdent pas toute leur pension d'invalidité, dès qu'ils trouvent un emploi. Car cette perte est insensée; elle décourage tout effort.

Ici, au Manitoba, nous sommes aussi en faveur d'une participation des personnes handicapées dans l'établissement des priorités, quand il s'agit de la répartition des fonds destinés au maintien de la santé et à la réadaptation, et cela non seulement sur la scène fédérale, mais aussi sur la scène provinciale. Une telle participation de la part des handicapés nous apparaît plus importante que n'importe quel autre type de surveillance, c'est-à-dire, de surveillance à caractère paternaliste. Nous nous rangeons donc de l'avis des gens qui, comme le Dr Hildes qui m'a précédé à la suite du Dr Thomas, préconisent la participation des autochtones dans la surveillance de la prestation des services médicaux et hospitaliers.

**M. Simpson:** Merci, Len.

En bref, il suffit de regarder un certain nombre de régimes provinciaux pour trouver quantité de contradictions, beaucoup de mauvaise gestion. Combien de gens, parmi ceux qui travaillent pour notre organisation au titre du programme des emplois d'été du Canada, qui le font, après être retournés à l'école, simplement pour pouvoir en avoir assez pour vivre. Cela leur a pris six mois pour mettre la bureaucratie en branle; après quoi ils ont décidé que cela ne valait pas la peine d'aller travailler et ils n'ont pas essayé de nouveau. Voilà le genre de problèmes où nous croyons que notre concours pourrait être utile, en procédant par exemple à un nouvel examen des systèmes de prestation des services dans lesquels vous êtes partie prenante par l'intermédiaire de CAP et d'autres ententes.

Un dernier point que je veux souligner, c'est que nous préconisons fortement le recours aux services ordinaires de la collectivité. Là où se trouvent la CEIC, la CMHC, des commissions de transport, nous aimerions les voir mettre les compétences qu'ils ont dans leur service technique à la disposition de nos besoins. Nous ne cessons et notre mouvement de consommateurs ne cesse d'engager Transports Canada, la CMHC et toutes les autres autorités à assumer la totalité de leurs responsabilités.



[Text]

I guess in summary we would say this. The dedication of our membership is pretty determined. Give me life or give me death, but please no more social workers.

Thank you, Mr. Chairman.

**The Chairman:** Mr. Blaikie.

**Mr. Blaikie:** Mr. Chairman, if I understand your comments on block funding correctly, it is not so much an argument against block funding as it is an argument for national standards. The reason I say this is that clearly up until 1977 there was no block funding; there was cost-sharing, and wheelchairs still were not insured in Ontario. If my memory serves me correctly, probably wheelchairs did become insured in Manitoba prior to block funding.

**Mr. Simpson:** That is right. The question there of management, of utilization of CAP and VRDP, is a very iffy situation depending on the provincial decision making. We recognized the weakness of the cost-sharing agreements at the time provinces decided not to opt in for certain services, but we saw block funding as an even greater danger and a greater escape from those responsibilities. In B.C. our members tell us of particular examples of funds allocated from the federal authorities to B.C. to increase social allowance cheques, which were openly and flagrantly diverted to roads or bridges, on the grounds that it was a provincial right to do what they wanted with those block funding grants. So when we saw the picture on the horizon with the social service legislation and the other block funding negotiations which sort of followed that in 1975, we became very, very nervous that it was a downward slope we were on, rather than an upward slope to improve the fundamental services that are necessary. Not that cost-sharing has provided all of the answers yet; we believe that some of them are poorly managed and we cannot break through, in most provinces, to get involved with the evaluation of planning and the monitoring of those. The provincial governments seem to have a different attitude toward dealing with the same old consumers. They consider us a frightening group whereas we are very pleased with the federal relationship. They seem to have a different attitude; they want our input and that to us is a whole different world. We believe, through your leadership, we can become recognized as participating citizens and, as American legislation allows, wherever federal funds are part of any service, disabled persons must be invited to become part of the monitoring and the evaluation of that process.

**Mr. Blaikie:** But what I am getting is that, what advances there have been, correct me if I am wrong here, have been because provincial governments from time to time have decided to do certain things like insuring wheelchairs, et cetera. The point I am trying to get at is that I wonder whether or not it is a mistake to choose which level of government you think ought to be responsible for things on the basis of how that level of government has been acting over the last, 10 years or so, or

[Translation]

En résumé, je crois pouvoir dire ceci. La détermination de nos membres ne saurait être plus grande. La vie ou la mort, si vous voulez, mais, de grâce, épargnez-nous les services du travailleur social.

Je vous remercie, Monsieur le président.

**Le président:** Monsieur Blaikie.

**M. Blaikie:** Monsieur le président, si j'ai bien compris, les commentaires faits au sujet du financement par budget fixe n'apportent guère d'arguments contre un tel financement; ils sont plutôt un plaidoyer en faveur de normes nationales. Si je dis cela, c'est que ce genre de financement n'existait pas avant 1977; il n'y avait que le partage des coûts et, néanmoins, les chaises roulantes n'étaient pas garanties en Ontario. Si ma mémoire est fidèle, elles ont probablement été garanties au Manitoba avant l'avènement du financement par budget fixe.

**M. Simpson:** C'est exact. Le problème qui se pose est que la gestion ou l'utilisation de CAP et de VRDP crée une situation très délicate, selon les décisions prises par la province. Nous avons signalé la faiblesse des ententes portant partage des coûts quand une province choisissait de ne pas participer pour certains services, mais nous considérons le financement par budget fixe comme un danger plus grand, comme un moyen plus facile d'échapper à ses responsabilités. Nos membres qui viennent de la Colombie-Britannique nous citent des cas où des fonds versés à la province par le gouvernement fédéral pour augmenter les allocations sociales ont été, ouvertement et publiquement, détournés à la construction de ponts et de routes, sous prétexte du droit de la province de faire ce qu'elle veut des subventions sans condition. Aussi, quand, à la suite de cela, en 1975, nous avons vu poindre à l'horizon la formule du financement par budget fixe pour les services sociaux et d'autres matières négociées, nous sommes devenus très, très nerveux, considérant que c'était reculé et non progrès dans l'amélioration des services indispensables. Ce n'est pas dire que les programmes à frais partagés règlent tous les problèmes; à notre avis, certains sont mal administrés et, dans la plupart des provinces, nous ne réussissons pas à faire accepter notre collaboration dans l'évaluation de la planification et de la surveillance des services. Les gouvernements provinciaux semblent répugner à traiter avec les mêmes vieux consommateurs. Nous serions un groupe qui fait peur, tandis qu'avec le gouvernement fédéral nous n'avons qu'à nous féliciter de nos relations. Son attitude est différente; il recherche notre participation et, pour nous, c'est tout un autre monde. Grâce à votre leadership, je crois que nous pouvons venir à être acceptés comme citoyens participants et que, comme c'est le cas aux États-Unis, quand des fonds fédéraux financent en partie un service, les personnes invalides doivent être invitées à participer à la surveillance et à l'évaluation du service.

**M. Blaikie:** Voici où je veux en venir et vous me corrigerez si je me trompe. Quand il y a eu progrès, c'était parce que des gouvernements provinciaux décidaient de faire certaines choses, comme de garantir une chaise roulante, etc. Ce que je veux amener sur le tapis, c'est que je me demande si vous avez raison ou non, pour décider quel niveau de gouvernement devrait être responsable, de vous fonder sur ce que ce gouvernement a fait depuis dix ans, cinq ou autre chose. Je veux bien

[Texte]

five years or whatever. I realize that right now, you know, provincial governments are on the out. I could explain that, by and large, but I would have to get rather partisan in order to do that. I wonder whether or not the whole notion of co-operative federalism where there is some sort of mutual responsibility, in the future might be a good idea. What if some day the federal government are a bunch of reactionary folks who do not value the kind of services that you think ought to be provided. Do not put all your eggs in one basket.

• 2310

**Mr. Simpson:** I would just like to comment that it was a fair amount of lobbying in this province that many of our groups did in their early days, and explaining with their very receptive provincial government in 1978 to get those basic services developed. But, regardless of that, we believe there is a role for a federal level to ensure a basic level of services, and we are prepared to take our responsibilities in earnest to make sure that central authority understands and knows those basic needs.

We are not asking the federal government to deliver all these services; we are asking that it be co-operative, but that the federal authorities take on the primary responsibility of ensuring that fundamental services, as they have in the constitution; the framework is there; the foundation is there. I do not think that we are trying to put our eggs all in one basket; we are trying to say that we believe that the services, good or bad, should have a basic level of equality across this country, and we together as Canadians will take our risks with that system.

**Mr. Blaikie:** I see Mr. Derksen wants to make a comment.

**Mr. Derksen:** Could I just expand on that with an example now. We are working with airlines, that are chartered federally, to have wheelchairs available in airports, in the instance that a travellers' wheelchair is lost and so on, as sometimes happens with baggage. We are having a real problem in some provinces. Where wheelchairs are not supplied by the province, we have people who are too poverty ridden to buy their own wheelchairs, perhaps too proud to accept a wheelchair from a charitable organization, going to airports and stealing their wheelchairs from Air Canada and so on. We are having difficulty implementing a national scheme whereby the airlines will supply wheelchairs because of that fact. Now that is just a very small example of how the various levels of supply and services across this country present problems. It seems most undesirable to us that services should vary so greatly from one province to another in matters of such fundamental importance as personal mechanical mobility for those who need it.

• 2315

**Mr. Blaikie:** You are saying that services for disabled persons, such as wheelchairs, either ought to be written into

[Traduction]

croire qu'à l'heure actuelle les gouvernements provinciaux sont en déclin. Je pourrais expliquer cela dans le détails, mais, pour le faire, il me faudrait me montrer assez partisan. Je me demande si, dans l'avenir, toute la notion de fédéralisme coopératif, qui comporte un genre de responsabilité mutuelle, s'avérera une bonne idée. Qu'arrivera-t-il si un jour le pouvoir fédéral tombe entre les mains d'une bande de réactionnaires qui n'attachent aucune valeur aux types de service que vous jugez essentiels. N'allez pas mettre tous vos œufs dans le même panier.

**M. Simpson:** Je vais simplement faire remarquer que quelques-uns de nos groupements, à leur début, ont dû exercer maintes pressions sur un gouvernement provincial bien réceptif et donner maintes explications, en 1978, pour obtenir le développement, dans cette province, des services de base. Néanmoins nous croyons qu'il y a un rôle pour le gouvernement fédéral, celui d'assurer un niveau minimum de service et nous sommes prêts à assumer sans réserve nos responsabilités et à faire en sorte que le gouvernement central connaisse et comprenne ces besoins fondamentaux.

Nous ne demandons pas au gouvernement fédéral de fournir la totalité de ces services. Nous voulons que ce soit une œuvre de coopération, mais que la responsabilité première pour le maintien d'un niveau minimum de service incombe aux autorités fédérales, comme dans la constitution; les structures sont là; les fondations aussi. Je ne crois pas que nous soyons en train de mettre tous nos œufs dans le même panier. Nous tentons de dire que, d'après nous, tous les services, bons ou mauvais, doivent comporter un même minimum de qualité partout au pays. Et nous sommes prêts ensemble, comme Canadiens, à tenter notre chance avec un pareil système.

**M. Blaikie:** Je vois M. Derksen qui demande à parler.

**M. Derksen:** Puis-je ajouter quelque chose à cela, à titre d'exemple. Nous sommes en pourparlers avec les compagnies aériennes, qui détiennent leur charte du gouvernement fédéral, afin que des chaises roulantes soient disponibles dans les aéroports au cas où celle d'un passager s'égare ou se perde, comme cela arrive parfois avec les bagages. Or pour certaines provinces nous nous heurtons à beaucoup de réticence. Dans celles qui ne fournissent pas une chaise roulante, des gens, trop pauvres pour s'en procurer une ou trop fiers pour en accepter une d'une association philanthropique, se rendent à l'aéroport et volent les chaises roulantes d'Air Canada ou d'une autre compagnie. Cela ne laisse pas de nous causer des ennuis dans notre effort pour mettre sur pied un programme national prévoyant la fourniture de chaises roulantes par les compagnies aériennes. Ce cas, bien que minime, illustre les difficultés qu'occasionne la disparité de services et de niveaux de service à travers le pays. Une telle disparité nous paraît intolérable dans un domaine aussi fondamentalement important que la fourniture de moyens mécaniques de mobilité à ceux qui en ont besoin.

**M. Blaikie:** Vous dites que les services destinés aux personnes invalides, comme celui des chaises roulantes, devraient, ou



*[Text]*

the Medical Care Act or some such act, so that there would be national standards through that health avenue, or that it ought to be regarded as a civil liberty or ought to be looked at through the perception of rights. No matter how it is done, across the country there should be a basic, sort of national standard vis-à-vis the rights of disabled persons and the services which governments provide to them.

**Mr. Derksen:** I think that is so. What we are speaking about is a national standard regarding fundamental needs of disabled people for fundamental living functions, so that they can participate.

We would, I think, prefer to see those provided under a rights framework rather than a medical one, because we perceive ourselves as well people. But, mechanism as they are in place and so on, the standard, I think, is the prior importance here.

**Mr. Blaikie:** One last question, Mr. Chairman. With regard to the independent living philosophy and the experimentation with it that has gone on in the United States, I wonder whether you could comment on what judgments have been made so far about the cost effectiveness of that particular way of living or that philosophy as compared to the more institutional or traditional rehabilitative models.

**Mr. Derksen:** Well, as the Obstacle Report points out, every kind of survey and study the parliamentary committee on the handicapped and disabled was able to find to make such a comparison, indicated that independent living and the support services necessary for independent lifestyles for disabled people were tremendously more cost-effective than the traditional rehabilitation service processes. Where traditional rehabilitation services processes failed, disabled people ended up in institutions for the remainder of their lives, sometimes long lives. This was the most costly in terms of hard dollars as well as in terms of human lifestyle and so on.

• 2320

I would just like to say one other thing about independent living. It is true that independent living, in the way it is conceptualized and in the way it operates, eliminates many, many jobs. It means, to some extent, a restructuring of our society. It means that disabled people will receive the incomes to provide many of the services that are necessary and that many social workers and supervisors and allowance clerks, you name it, may have to find some other kind of livelihood. This is a problem for our society.

I recently had a small dialogue with a provincial cabinet minister who could not see her way clear to this social change, partly because of the pressure that the interest groups representing those people, put on government and on society. To some extent they are much more organized than we are. It is not out of malice that we wish to displace them, but only to find our place in the sun. I do think Canada is strong enough to find a way to handle this kind of a shift.

*[Translation]*

bien figurer dans la Loi sur les soins médicaux ou quelque autre loi semblable afin que, de cette façon, soient assurées des normes nationales, ou bien tomber dans le domaine des libertés civiles ou être envisagées comme un droit de la personne humaine. Et, dans l'un ou l'autre cas, il doit y avoir d'un bout à l'autre du pays une sorte de norme nationale fondamentale à l'égard des droits des personnes invalides et des services que les gouvernements leur fournissent.

**M. Derksen:** C'est bien cela, je crois. Nous parlons d'une norme nationale pour les besoins fondamentaux des personnes invalides, pour les fonctions essentielles à la vie, afin d'assurer leur intégration à la société.

Nous aimerions mieux voir cette norme assurée dans le cadre d'un texte sur les droits que dans un cadre médical, car nous nous considérons comme des personnes bien portantes. Mais quel que soit le mécanisme envisagé, l'important c'est qu'il y est une norme.

**M. Blaikie:** Une dernière question, monsieur le président. En ce qui concerne la formule dite de la vie autonome et de l'expérience qui en est faite aux États-Unis, je me demande si vous pouvez nous dire dans quelle mesure on l'a trouvé économique jusqu'ici par rapport aux formules plus traditionnelles de l'établissement et de la réadaptation.

**M. Derksen:** Comme le dit le rapport sur les obstacles, toutes les enquêtes et les études faites justement pour déterminer ce point par le Comité parlementaire chargé de la question des handicapés et des invalides ont révélé que cette formule, avec les services d'assistance personnelle qu'elle comporte, était énormément plus économique que le régime traditionnel de réadaptation. Quand le processus traditionnel de réadaptation ne réussit pas, la personne invalide finit par être accueillie dans un établissement pour le reste de sa vie, et c'est parfois pour longtemps. C'est là la formule la plus coûteuse, d'abord en argent, mais aussi en qualité de vie et autres choses semblables.

J'ajouterai une chose à propos de cette autonomie de vie. Il est vrai que, de la manière qu'elle est conçue et qu'elle fonctionne, elle supprime un grand nombre d'emplois. Elle entraîne donc, dans une certaine mesure, une restructuration de notre société. Sous son régime, la personne invalide reçoit un revenu qui lui permet de se procurer nombre des services qui lui sont nécessaires. En conséquence, beaucoup de gens, travailleurs sociaux, surveillants, préposés aux allocations, etc. doivent se trouver autre chose pour gagner leur vie. C'est un problème pour la société.

Un ministre provincial me disait, l'autre jour, au cours d'une courte conversation, qu'elle ne pouvait voir comment réaliser ce changement, en partie à cause des pressions qu'exercent sur le gouvernement et la société les groupes d'intérêt qui représentent ces employés. Dans une certaine mesure, ceux-ci sont beaucoup mieux organisés que nous le sommes. Ce n'est pas par malice que nous voulons évincer ces gens, c'est pour nous trouver une place sous le soleil. Je suis convaincu que le



[Texte]

**Mr. Chairman:** Thank you.

**Mr. Blenkarn:** Could I ask one last question?

What provinces supply wheelchairs or, say, electrically operated wheelchairs for starters, and which do not?

**Mr. Derksen:** Quebec, Manitoba, Saskatchewan. I believe Alberta has an embryonic program, which may or may not work out.

**Mr. Blenkarn:** Am I correct then, in saying that it is Quebec and Manitoba and Saskatchewan, the rest of the provinces do not supply them, other than through charitable organizations or organizations that are motivated in some way to do it.

**Mr. Derksen:** There is also provision in most provinces, to supply a person who is completely dependent on the state for livelihood, i.e. on social allowance or welfare, with a wheelchair. It is the working poor who sometimes have to rely on the charitable organizations for the wheelchair in those provinces.

**Mr. Blenkarn:** So as a practical matter they do get the wheelchairs. They are not completely without them, but, it is a question of who pays for it.

**Mr. Derksen:** Yes, and the resolution of that question is what sometimes takes up to six months of the disabled person's lying in the hospital bed at public expense.

**Mr. Blenkarn:** I understand.

**The Chairman:** Thank you very much, gentlemen, for your contribution to our deliberations. It is certainly very helpful.

I am sorry that you did not get an invitation from us. It is not that we neglected you; we attempted to contact every national organization that we thought had an interest in this and we thought that would encompass every possible group in the country. I am sorry that we did not get to you.

**Mr. Simpson:** I just have one more comment. If in your final recommendations, you see your way clear to recommending future monetary and development systems, we hope you can include the concept that an ongoing evaluation input should involve consumer input as one of the components. Not that we are trying to cut out others that have an equally valuable voice to be heard. It is a new phenomenon; we think it is a valuable thing, so that our membership can learn as well as your levels can learn from us and vice versa.

• 2325

**The Chairman:** Well, you know, a lot of us, I am sure, are sympathetic to these ideas. You realize our mandate is to deal not only with programs, per se but also with the very complex area of fiscal relationships between the federal government and provincial governments. So while we can express what we want as federal politicians, I think it would be the wish of the group to take account of provincial concerns even though we may disagree with some of them. In that regard I suppose

[Traduction]

Canada est assez fort pour trouver le moyen de procéder à la transformation.

**Le président:** Merci.

**M. Blenkarn:** Permettez-moi une dernière question.

Quelles provinces fournissent une chaise roulante, c'est-à-dire une chaise roulante électrique, au début, et lesquelles n'en fournissent pas?

**M. Derksen:** Le Québec, le Manitoba et la Saskatchewan. Je crois que l'Alberta a un programme embryonnaire dont on ne sait s'il fonctionnera.

**M. Blenkarn:** Il est donc exact de dire que c'est le Québec, le Manitoba et la Saskatchewan. Les autres provinces ne la fournissent pas, mais elle peut être obtenue d'une association philanthropique ou de toute autre association qui peut s'intéresser à la question.

**M. Derksen:** Il est aussi prévu, dans la plupart des provinces, qu'une chaise est fournie à la personne absolument indigente qui dépend de l'État, soit du bien-être ou de l'assistance sociale. Dans ces provinces, c'est le travailleur trop pauvre pour s'en procurer une lui-même qui doit s'en remettre aux organismes charitables.

**M. Blenkarn:** En somme, ils finissent tous par avoir une chaise. Ils n'ont pas à s'en passer absolument. C'est une question de qui paye pour la chaise.

**M. Derksen:** Oui, mais avant que cette question soit réglée, l'invalidé aura pu passer six mois au maximum couché à l'hôpital, aux frais de l'État.

**M. Blenkarn:** Je comprends.

**Le président:** Je vous remercie, Messieurs, pour votre contribution à nos délibérations. Elle sera des plus utiles.

Je regrette qu'aucune invitation de notre part ne vous soit parvenue. Ce n'est pas par négligence. Nous avons tenté de contacter tous les groupements nationaux que nous croyions intéressés par la question et nous pensions avoir atteint tous les groupes possibles. Il est malheureux que votre groupement ait échappé.

**M. Simpson:** Puis-je ajouter un dernier mot? Dans votre rapport final, si vous décidez de recommander de nouveaux régimes, monétaires ou autres, nous espérons que vous n'oublierez pas d'y inclure le concept que le consommateur doit faire partie intégrante de tout dispositif d'évaluation continue. Notre but n'est pas de remplacer d'autres qui peuvent autant que nous avoir droit de se faire entendre. C'est une chose nouvelle et c'est une chose utile; nos membres apprendraient de vous et vous, d'eux, de cette façon.

**Le président:** Vous pouvez croire que plusieurs parmi nous, j'en suis sûr, sont sympathiques à cette idée. Vous comprendrez que notre mandat est d'étudier non seulement les programmes comme tels, mais aussi le domaine très complexe des relations fiscales entre le gouvernement fédéral et les gouvernements provinciaux. Bien sûr, comme hommes politiques fédéraux, nous sommes libres de dire ce que nous voulons, mais je pense que le groupe voudra tenir compte des préoccupations

*[Text]*

there can be some kind of parliamentary examination at the federal level in any event. I believe it would have to be done with provincial agreement but it is certainly a worthwhile idea to put forward.

Thank you very much. The meeting is adjourned till 9 o'clock tomorrow morning, May 20, in this room.

*[Translation]*

provinciales, même si, sur certains points, nous pouvons ne pas être d'accord. A tout événement, il peut y avoir sur ce point un examen parlementaire au niveau fédéral. Je pense qu'il faudrait le faire avec l'accord des provinces, mais il reste que c'est une idée digne d'être avancée.

Je vous remercie tous. La séance est ajournée à 9 heures demain matin, le 20 mai, dans la même salle.

## APPENDIX "FISC-32"

BRIEF TO PARLIAMENTARY TASK FORCE  
ON  
FEDERAL-PROVINCIAL FISCAL ARRANGEMENTSJ. A. HILDES  
DIRECTOR—NORTHERN MEDICAL UNIT  
UNIVERSITY OF MANITOBA61 Emily Street  
Winnipeg

19 May, 1981

## PERSONAL CREDENTIALS

John A. Hildes, C.M., M.D., F.R.C.P. (Can. &amp; U.K.)

M.D.—University of Toronto, 1940.

Departments of Physiology and Medicine, University of  
Manitoba 1949 to present.Director of the Northern Medical Unit, University of  
Manitoba, 1970 to present.—Services provided to the seven settlements of the  
Keewatin District, N.W.T., and in Manitoba, to  
Churchill, Norway House, Interlake, Island Lake, and  
East of Lake Winnipeg.

Sometime consultant to:

- Health and Welfare Canada
- Royal Commission on Labrador
- Northern Alberta Development Council
- Memorial University of Newfoundland/International  
Grenfell Association Project on Northern Medicine and  
Health

Sometime member of:

- Manitoba Health Services Commission
- Science Advisory Board of the Northwest Territories

## 1. INTRODUCTION

Although I have no special knowledge of fiscal matters, it was suggested to me that my experience in the area of health and health care to northern Canadian Indians and Inuit may be of some interest to the Committee. I have therefore prepared the following notes which do not necessarily represent the views of the University.

## 2. HEALTH CARE TO INDIANS &amp; INUIT

The majority of native people in Canada live in northern remote parts of the country in small widely scattered communities with relatively poor transportation, communication and community infrastructure. These circumstances mandate special arrangements for health care.

## APPENDICE «FISC-32»

MÉMOIRE PRÉSENTÉ AU GROUPE DE TRAVAIL  
PARLEMENTAIRE  
SUR  
LES ACCORDS FISCAUX ENTRE LE  
GOUVERNEMENT FÉDÉRAL ET LES PROVINCESJ. A. HILDES  
DIRECTEUR DE L'UNITÉ MÉDICALE DU NORD  
UNIVERSITÉ DU MANITOBA61 Emily Street  
Winnipeg

19 mai 1981

## CURRICULUM VITAE

John A. Hildes, C.M., M.D., F.R.C.P. (Canada et  
Royaume-Uni)

Doctorat en médecine—Université de Toronto, 1940

Ministère de la physiologie et de la médecine, université du  
Manitoba à partir de 1949.Directeur de l'unité médicale du Nord, université du Mani-  
toba, à partir de 1970.—Services dispensés à sept communautés du district de  
Keewatin, Territoires du Nord-Ouest, et au Manitoba,  
à Churchill, Norway House, Interlake, Island Lake et à  
l'est du lac Winnipeg.

A été expert-conseil auprès des organismes suivants:

- Ministère de la Santé nationale et du Bien-être social
- Royal Commission on Labrador
- Northern Alberta Development Council
- Memorial University of Newfoundland/International  
Grenfell Association Project on Northern Medicine and  
Health

A été membre des organismes suivants:

- Commission des services médicaux du Manitoba
- Commission consultative scientifique des Territoires du  
Nord-Ouest.

## 1. INTRODUCTION

Bien que je n'aie aucune connaissance particulière en matière fiscale, il se peut que mon expérience dans le domaine de la santé et des soins médicaux dispensés aux Indiens et aux Inuits du Nord du Canada intéresse le Comité. J'ai donc préparé les quelques notes suivantes, notes qui ne représentent pas nécessairement le point de vue de l'Université.

2. SOINS MÉDICAUX DISPENSÉS AUX INDIENS ET  
AUX INUITS

La majorité des autochtones du Canada vivent, au Nord, dans des régions éloignées du pays, dans de petites communautés éparses où les moyens de transport, de communication et l'infrastructure communautaire sont relativement peu développés. Ces circonstances exigent que des dispositions spéciales soient prises en matière de soins médicaux.



Whereas health services normally reside with the provinces, the Federal Government has traditionally accepted the responsibility for health services for native people. This federal responsibility was discharged mainly through the Department of Indian Affairs up to 1945 when a special Indian and Northern Health Service—now integrated into Medical Services Branch—was set up within Health and Welfare, Canada. At that time mobile teams were developed for tuberculosis case finding and patients were transported south for treatment. However the need for resident health services was soon apparent and the 50's and 60's saw the development of federally-operated nursing stations in most northern native communities. A small cadre of Medical Services physicians provided medical backup to the nursing stations.

In the late 60's and into the 70's the department, finding recruitment of suitably qualified physicians in adequate numbers to be difficult, turned increasingly to contractual arrangements with groups of physicians and with universities across the country—McGill for Baffin Island; University of Toronto for Sioux Lookout Zone in Northwestern Ontario; Queen's University and University of Western Ontario for Moose Factory; and the University of Alberta for the McKenzie Valley. By this time Medical Services Branch had developed regions which were largely coincident with the provinces and the territories, and the arrangements were made between the University and the particular Regional Director. Arrangements for native people in Newfoundland and Labrador have for a long time been within the sphere of the International Grenfell Association. Therefore there are many differences in the contractual arrangements.

Here in Manitoba, Medical Services Branch contracted with the University of Manitoba to provide general practitioner and specialist physician services to designated areas of the Northwest Territories and northern Manitoba. At the same time the Province of Manitoba contracted with the University to provide physician services to the town of Churchill, where the hospital serves a catchment area including the Keewatin District of the Northwest Territories.

### 3. SERVICES PROVIDED TO NATIVE PEOPLE BY HEALTH & WELFARE, CANADA

#### 3.1 Insured Services:

These include the two major components of medicare which are normally operated by the provinces: that is, physician services and hospital care. As noted above, the physician services are mostly contracted out. A small number of hospitals across the country are operated directly by Health & Welfare Canada. These are mostly small northern hospitals; the only modern urban one, the Charles Camsell Hospital in Edmonton, has recently been turned over to the local authorities as an ordinary community hospital. Some of the small Indian hospitals in close proximity to regular community hospitals have been closed. This sometimes generates considerable opposition from local Indians.

Alors que les services médicaux relèvent normalement des provinces, le gouvernement fédéral a de tout temps été responsable des soins médicaux dispensés aux autochtones. Cette responsabilité fédérale a été principalement assumée par le ministère des Affaires Indiennes jusqu'en 1945, date à laquelle un service spécial de santé des autochtones, intégré maintenant à la direction des services médicaux, a été créé au sein du ministère fédéral de la Santé et du Bien-être social. A cette époque, des équipes mobiles chargées de déceler la présence de cas tuberculeux avaient été mises sur pied et les patients étaient transportés au sud pour y être traités. Cependant, le besoin de services médicaux permanents s'est vite fait sentir et au cours des années 1950 et 1960 se sont créés des postes d'infirmier fédéraux dans la plupart des collectivités autochtones du nord. Une petite équipe de médecins rattachés aux services médicaux secondait ces postes d'infirmier.

A la fin des années 1960 et au cours des années 1970, le ministère, incapable de recruter suffisamment de médecins qualifiés, a passé de plus en plus d'accords contractuels avec des groupes de médecins et des universités à travers le pays: McGill pour l'île Baffin; l'université de Toronto pour la région de Sioux Lookout au nord-ouest de l'Ontario; l'université Queen et l'université de Western Ontario pour Moose Factory et l'université de l'Alberta pour la vallée du McKenzie. A cette époque, la direction des services médicaux avait créé des régions qui coïncidaient largement avec les provinces et les territoires et des accords ont été signés entre l'université et les directeurs régionaux en cause. Les accords touchant les autochtones à Terre-Neuve et au Labrador relèvent depuis longtemps de l'*International Grenfell Association*. Il existe donc de nombreuses différences dans les accords contractuels.

Au Manitoba, la direction des services médicaux a signé des contrats avec l'université du Manitoba qui est chargée d'offrir des services médicaux généraux et des services spécialisés dans certaines régions désignées des Territoires du Nord-Ouest et du nord du Manitoba. Parallèlement, la province du Manitoba a conclu un accord avec l'université pour dispenser des services médicaux dans la ville de Churchill, circonscription hospitalière, qui comprend notamment le district de Keewatin dans les Territoires du Nord-Ouest.

### 3. SERVICES DISPENSÉS AUX AUTOCHTONES PAR LE MINISTÈRE FÉDÉRAL DE LA SANTÉ ET DU BIEN-ÊTRE SOCIAL

#### 3.1 Services assurés:

Ces services comprennent les deux principaux éléments des services médicaux qui relèvent normalement des provinces, c'est-à-dire, les services dispensés par les médecins et les soins hospitaliers. Comme nous l'avons fait remarquer plus haut, les services médicaux sont pour la plupart dispensés dans le cadre d'accords contractuels. Un petit nombre d'hôpitaux à travers le pays sont gérés directement par le ministère fédéral de la Santé nationale et du Bien-être social. Il s'agit principalement de petits hôpitaux situés dans le nord; le seul hôpital urbain nordestin, l'hôpital Charles Camsell à Edmonton, a récemment été transmis aux autorités locales et est devenu un hôpital communautaire ordinaire. Certains des petits hôpitaux indiens proches des hôpitaux communautaires ont été fermés, ce qui

### 3.2 Non-Insured Services:

In addition to the above, Health and Welfare also provides certain additional "non-insured" services to native people. These are:

- medically required transportation
- drugs
- dental care
- eye glasses
- prosthetic services

### 3.3 Payment of Physicians:

The arrangements regarding payments for physician services delivered to native people, in addition to the normal usage whereby local physicians bill directly to provincial medicare on a fee-for-service basis, include groups of physicians contracted with Medical Services Branch to pay their expenses and perhaps an additional inducement to travel to remote native communities where they see patients and bill as usual to medicare.

The University of Manitoba contracts with Medical Services for salaries and/or daily stipends and other costs for physicians and other personnel required to provide the contracted service. In that case, the invoices (claim cards) for "insured services" rendered to individual patients are submitted by the Regional Office of Medical Services to the appropriate provincial health insuring agency. Payment is submitted, not back to Medical Services Branch or to the physician, but to the Receiver General of Canada.

### 3.4 Payment for Hospitalization:

The cost of hospitalization of a native person is billed by the hospital to the appropriate provincial insuring agency even when the hospital is owned and operated by the Federal Government. The usual principles apply for native patients treated in a jurisdiction other than the one of their residence. For example, consider in Inuk from Eskimo Point—if he is treated by a physician from the University of Manitoba travelling to Eskimo Point to see him, the physician's time and expenses are paid under the contract between N.W.T. Region of Medical Services Branch and the University. The Medical Services Branch invoices the territorial health insurance scheme of the N.W.T. who pay the Receiver General of Canada. However, if that patient is referred to Churchill or Winnipeg for admission to hospital, that hospital, whose budget derives from Manitoba Health Services Commission, bills the territorial health insurance scheme for the hospital costs, and the funds so received are used to off-set the hospital income from the provincial agency: Manitoba Health Services Commission.

provoque parfois une opposition considérable de la part des Indiens dans la région.

### 3.2 Services non assurés:

Outre ceux que nous avons mentionnés plus haut, le ministère de la Santé nationale et du Bien-être social fournit également certains autres services "non-assurés" aux autochtones. Ce sont les suivants:

- Transport pour raisons médicales
- Médicaments
- Soins dentaires
- Lunettes
- Prothèses

### 3.3 Paiement des médecins:

Les accords portant sur la rémunération des services dispensés par les médecins aux autochtones, outre l'usage courant qui veut que les médecins locaux facturent directement les services médicaux de la province pour chaque acte dispensé, comprennent des groupes de médecins ayant passé un contrat avec la direction des services médicaux pour payer leurs dépenses et peut-être des frais de déplacement dans les communautés autochtones éloignées où ils voient les patients, soins qu'ils facturent comme d'habitude aux services médicaux de la province.

L'université du Manitoba passe des contrats avec les services médicaux en ce qui concerne les traitements et/ou les honoraires journaliers et autres coûts des médecins et autre personnel tenus de fournir les services en cause. Dans ce cas, les factures (cartes de demande de remboursement) des "services assurés" rendus à des patients sont envoyées par le bureau régional des services médicaux à l'organisme d'assurance-santé provincial approprié. Le remboursement est effectué non pas à la direction des services médicaux ou aux médecins mais au Receveur général du Canada.

### 3.4 Remboursement des frais hospitaliers

Les frais hospitaliers d'un autochtone sont facturés par l'hôpital auprès de l'organisme d'assurance provinciale approprié même lorsque l'hôpital appartient au gouvernement fédéral et est exploité par ce dernier. Les principes habituels s'appliquent aux autochtones traités dans une juridiction autre que celle de leur résidence. Par exemple, si un Inuk d'Eskimo Point est traité par un médecin de l'université du Manitoba qui s'est rendu à Eskimo Point pour le voir, le temps et les dépenses du médecin sont payés conformément au contrat passé entre le bureau régional des Territoires du Nord-Ouest de la direction des services médicaux et l'université. La direction des services médicaux facture le plan d'assurance-santé territorial des Territoires du Nord-Ouest qui rembourse le Receveur général du Canada. Cependant, si ce patient est hospitalisé à Churchill ou à Winnipeg, cet hôpital, dont le budget est prélevé de la Commission des services de santé du Manitoba, facture le plan d'assurance-santé du territoire pour les frais hospitaliers et les fonds ainsi reçus sont utilisés pour compenser le revenu hospitalier de l'organisme provincial, c'est-à-dire la Commission du service de santé du Manitoba.



### 3.5 Payment for Non-Insured Services

The travel costs incurred in evacuating the patient from Eskimo Point to Churchill or Winnipeg are paid directly to the airlines by Medical Services Branch. Similarly the other non-insured services are provided by, or paid for, directly by Medical Services.

## 4. SOME ANOMALIES IN HEALTH CARE TO NORTH-ERN NATIVES

4.1 The identification of a native person for whom Health and Welfare Canada assumes responsibility is somewhat complex, not always logical and not uniform across the country. In Manitoba, as in most provinces, the critical requirement is treaty status, but in terms of health care residence also plays a part. However for the Inuit of the N.W.T. the critical requirement appears to be the perception of a person as an Inuk. In Newfoundland and Labrador the Federal Government provides to "designated communities", which have a component of native people, funds paid through the Provincial Government for health services to native people. In that situation there is no identification of the individuals for whom Health and Welfare feel a responsibility, but certain communities are so identified.

In a sense, a similar situation informally applies in Manitoba where, under some long-lost-but-not-forgotten agreement, the Provincial Government looks after the health of Indians in certain areas such as along the Hudson's Bay Railway Line, and the Federal Government looks after non-treaty Indians as well as treaty Indians who live in communities without surface transportation services where the Federal Government has established facilities.

4.2 The "non-insured" benefits referred to earlier are administered differently in different jurisdictions. For example, the Government of Manitoba provides medical transportation under certain specified conditions to Manitobans living above the 53rd parallel, but the Federal Government provides medically authorized travel to all treaty Indians regardless of latitude; (but not regardless of longitude since I am told that an Inuk in Nain, Labrador, only receives free transportation if he cannot afford to pay).

4.3 Between regions within Medical Services Branch and even within a single Medical Services Region there may be differences in "non-insured" services. For example, I believe that within the Manitoba Region a treaty Indian, moving from his reserve to town, is treated differently regarding provision of drugs if he moves to Thompson, as compared to Winnipeg. It is something to do, I believe, with the perceived differences between the degree of cultural integration to be expected of Indians living in reserves in the northern boreal forest compared to those living close to towns or to agricultural areas.

4.4 I have mentioned certain "non-insured" services usually provided to treaty Indians such as transportation, drugs, and prostheses. Paradoxically there appears to be an insured ser-

### 3.5 Remboursement des services non assurés

Les frais de déplacement encourus lors de l'évacuation du patient d'Eskimo Point à Churchill ou à Winnipeg sont versés directement aux compagnies aériennes par la direction des services médicaux. Parallèlement, les autres services non assurés sont fournis ou payés directement par les services médicaux.

## 4. ANOMALIES DANS LE RÉGIME DES SOINS MÉDICAUX DISPENSÉS AUX AUTOCHTONES DU NORD

4.1 Il est difficile d'identifier un autochtone qui dépend du ministère fédéral de la Santé et du Bien-être social car la politique suivie n'est pas toujours logique et uniforme à travers le pays. Au Manitoba, comme dans la plupart des provinces, la condition sine qua non est que la personne en question soit assujettie à un traité mais en ce qui concerne les soins médicaux, le critère de résidence joue également un rôle. Cependant, pour les Inuits résidant dans les Territoires du Nord-Ouest, le critère semble être la perception d'une personne en tant qu'Inuk. À Terre-Neuve et au Labrador, le gouvernement fédéral offre à des «collectivités désignées» dans lesquelles résident un certain nombre d'autochtones, des crédits financés par le gouvernement provincial pour les services médicaux dispensés aux autochtones. Dans ce cas, les individus relevant du ministère de la Santé et du Bien-être ne sont pas identifiés mais certaines collectivités le sont.

Dans un sens, un cas similaire s'applique au Manitoba où, en vertu d'un accord depuis-longtemps-perdu-mais-non-oublié, le gouvernement provincial s'occupe de la santé des Indiens dans certaines régions comme, par exemple, le long de la ligne de chemin de fer de la Baie d'Hudson, et le gouvernement fédéral a la responsabilité des Indiens assujettis ou non à des traités dans les collectivités qui ne disposent pas de services de transport de surface où le gouvernement fédéral a créé des installations.

4.2 Les prestations «non assurés» dont j'ai parlé tout à l'heure sont administrées différemment selon les juridictions. Par exemple, le gouvernement du Manitoba offre, sous certaines conditions précises, un système de transport médical aux Manitobains vivant au-dessus du 53<sup>e</sup> parallèle mais le gouvernement fédéral rembourse les frais de déplacement pour raisons médicales à tous les Indiens assujettis à des traités indépendamment de la latitude (mais non indépendamment de la longitude puisqu'on me dit qu'un Inuk vivant à Nain au Labrador n'est transporté gratuitement que s'il ne peut payer).

4.3 Entre les régions qu'administre la direction des services médicaux et même à l'intérieur d'une seule région, il peut exister d'importantes différences entre services «non assurés». Par exemple, je crois qu'à l'intérieur de la région du Manitoba, un Indien inscrit, et qui quitte sa réserve pour aller en ville, est traité différemment en ce qui concerne l'octroi de médicaments s'il va à Thompson et non à Winnipeg. Ceci est sans doute dû aux différences perçues entre le degré d'intégration culturelle des Indiens vivant dans des réserves de la forêt boréale et ceux qui vivent près des villes ou des centres agricoles.

4.4 J'ai parlé de certains services «non assurés» dispensés habituellement aux Indiens inscrits comme, par exemple, les transports, les médicaments et les prothèses. Paradoxalement,



vice to Manitobans—the cost of placement in a personal care home—which Medical Services Branch of Health and Welfare Canada does not provide even to treaty Indians: this being the responsibility of Indian Affairs.

4.5 Other anomalies can be cited: in child care, in environmental health, and probably in a number of other areas with direct or indirect relevance to health.

## 5. PROS & CONS OF FEDERAL VS PROVINCIAL RESPONSIBILITY FOR NATIVE HEALTH

An important concern of native people over the transfer of responsibility for their health care from the Feds to the Provinces is for their treaty rights to health care. They may be correct in that concern. Certainly from my personal experience I would have a concern that provincial governments have an underdeveloped sense of the social, cultural and economic needs of their native minorities. The native people of northern Canada are underprivileged in terms of health, education, and economic opportunities; and I credit the Medical Services Branch of Health and Welfare Canada with more sensitivity to those conditions than provincial departments of health. That of course may be because the raison d'être of Medical Services Branch is the health of Indians.

On the other hand, no matter how much of an effort has been made by federal departments towards decentralizing responsibilities, when the chips are down, Ottawa calls the shots, and time and again it appears that they cannot realistically mold their thinking to local or regional conditions.

In my view a major stumbling block to satisfactory health services is the lack of participation by northern people in their own local and regional health arrangements; and they are really not encouraged to actively participate, in spite of "made-in-Ottawa" policies of devolution to the contrary.

The Federal Provincial fiscal sharing arrangements probably make less difference to the health, education and welfare of native people than would a successful collaboration by both levels of government to involve native people directly in setting priorities for their own health care.

What should the future policies be? Fiscal arrangements for health care of native people are obviously important as well as expensive. The challenge is to develop policies flexible enough to avoid or minimize some of the anomalies in the present system.

To maintain (and improve) national standards for native health services there must continue to be a Federal involvement with sufficient leverage to ensure complicity but at arms length from the responsibility for day-to-day administration of services. To avoid the blind application of country-wide programs indifferent to local or regional differences there needs to be a degree of flexibility which is usually lacking in the Federal bureaucracy. Fiscal and policy control of programs should be at the local or regional levels. To advise both Ottawa and the provinces on the size of the fiscal effort needed as well

un service assuré au Manitoba, les frais de placement dans une maison de soins—que la direction des services médicaux du ministère fédéral de la Santé et du Bien-être social n'offre même pas aux Indiens inscrits car cela relève du ministère des Affaires indiennes.

4.5 On peut citer d'autres anomalies, notamment dans le domaine de la puériculture, de la santé environnementale et probablement dans un certain nombre d'autres domaines qui ont un rapport direct ou non avec la santé.

## 5. LA SANTÉ DES AUTOCHTONES: LE GOUVERNEMENT FÉDÉRAL CONTRE LES PROVINCES—AVANTAGES ET INCONVÉNIENTS

Si la responsabilité des soins médicaux des autochtones devait être transférée aux provinces, ces derniers craignent que leurs droits en la matière et qui leur sont garantis par les traités ne le soient plus. Ils ont peut-être raison. D'après ce que j'ai vécu, je crains que le gouvernement provincial n'ait un point de vue erroné des besoins sociaux, culturels et économiques de nos minorités autochtones. Les autochtones du nord du Canada n'ont pas les mêmes privilèges que les autres en ce qui concerne la santé, l'éducation et les débouchés économiques et je crois que la direction des services médicaux du ministère fédéral de la Santé et du Bien-être social est plus sensible à cette situation que les ministères provinciaux de la santé. Mais c'est peut-être parce que la raison d'être de la direction des services médicaux est la santé des Indiens.

En revanche, quelle que soit l'ampleur des efforts déployés par les ministères fédéraux en vue de décentraliser les responsabilités, c'est toujours Ottawa qui mène le bal et de temps à autre, les responsables sont incapables d'adapter leur pensée aux conditions locales ou régionales.

A mon avis, l'obstacle majeur à la prestation de services médicaux satisfaisants est l'absence de participation des gens du nord dans leurs propres accords de santé régionaux et locaux; de plus, on ne les encourage pas à y participer activement, malgré la politique fédérale de dévolution.

Les accords de partage fiscal entre le gouvernement fédéral et les provinces sont probablement moins importants pour la santé, l'éducation et la situation des autochtones que ne le serait une collaboration par les deux niveaux de gouvernement en vue de faire participer directement les autochtones à la fixation des priorités en ce qui concerne leurs propres soins médicaux.

Quelles mesures devra-t-on prendre à l'avenir? Les accords fiscaux portant sur les soins médicaux des autochtones sont évidemment importants et chers. Il s'agit donc de prendre des mesures assez souples pour supprimer ou minimiser certaines des anomalies que présente le système actuel.

Pour que les normes nationales des services médicaux des autochtones restent les mêmes (et soient améliorées), la participation du gouvernement fédéral devrait pouvoir assurer une certaine conformité tout en se détachant de l'administration quotidienne des services. Pour éviter que les programmes nationaux ne soient appliqués aveuglément indépendamment des différences locales ou régionales, un certain degré de souplesse s'impose, souplesse dont manque généralement la bureaucratie fédérale. Le contrôle fiscal et politique des programmes devrait se situer à l'échelle locale ou régionale. Pour

as how it is to be applied may require a prestigious national Indian council of health, and perhaps also regional councils. We may thus be on the road to correct some of the major and stubborn inequities in our Canadian system of health and social services.

pouvoir conseiller tant le gouvernement fédéral que les provinces sur l'ampleur des efforts fiscaux nécessaires ainsi que sur leur répartition, un conseil indien national de la santé devrait être créé et peut-être même des conseils régionaux. Nous pourrions peut-être alors corriger certaines des injustices majeures et les plus ancrées dans notre système canadien de santé et de services sociaux.

















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## WITNESSES—TÉMOINS

At 7:00 p.m.

*From the Age and Opportunity Centre:*

Dr. B. Bendor-Samuel, President;  
Mr. Bob Stewart, Executive Director.

At 7:35 p.m.

*From the University of Manitoba (St. John's College):*

Professor Paul Thomas.

At 9:00 p.m.

*From the University of Manitoba:*

Dr. J. A. Hildes, Faculty of Medicine.

At 9:30 p.m.

Dr. John Horne, Department of Social and Preventive  
Medicine, Faculty of Medicine.

At 10:40 p.m.

*From the Coalition of Provincial Organizations of the  
Handicapped:*

Allan Simpson, Chairman;  
Jim Derksen, Policy Planning Coordinator.

A 19 heures

*De Age and Opportunity Centre:*

M. B. Bendor-Samuel, président;  
M. Bob Stewart, directeur exécutif.

A 19 h 35

*De l'Université du Manitoba (St. John's College):*

M. Paul Thomas, professeur.

A 21 heures

*De l'Université du Manitoba:*

M. J. A. Hildes, Faculté de médecine.

A 21 h 30

M. John Horne, Département de médecine sociale et pré-  
ventive, Faculté de médecine.

A 22 h 40

*De la Coalition of Provincial Organizations of the  
Handicapped:*

Allan Simpson, président;  
Jim Derksen, coordonnateur de la planification des  
politiques.

HOUSE OF COMMONS

Issue No. 14

Wednesday, May 20, 1981

Chairman: Mr. Herb Breau

CHAMBRE DES COMMUNES

Fascicule n° 14

Le mercredi 20 mai 1981

Président: M. Herb Breau

*Minutes of Proceedings and Evidence  
of the Special Committee on*

*Procès-verbaux et témoignages  
du Comité spécial sur*

# The Federal-Provincial Fiscal Arrangements

# Les accords fiscaux entre le gouvernement fédéral et les provinces

RESPECTING:

Federal-Provincial Fiscal Arrangements and  
Established Programs Financing Act, 1977, fiscal  
equalization, tax collection agreements and the  
Canada Assistance Plan.

CONCERNANT:

La Loi de 1977 sur les accords fiscaux entre le  
gouvernement fédéral et les provinces et sur le  
financement des programmes établis, la  
péréquation des accords de perception fiscale et le  
Régime d'assistance publique du Canada.

APPEARING:

The Honourable A. B. Ransom,  
Minister of Finance.  
The Honourable L. R. Sherman,  
Minister of Health.  
The Honourable K. A. Cosens,  
Minister of Education.

COMPARAISSENT:

L'honorable A. B. Ransom,  
ministre des Finances.  
L'honorable L. R. Sherman,  
ministre de la Santé.  
L'honorable K. A. Cosens,  
ministre de l'Éducation.

WITNESSES:

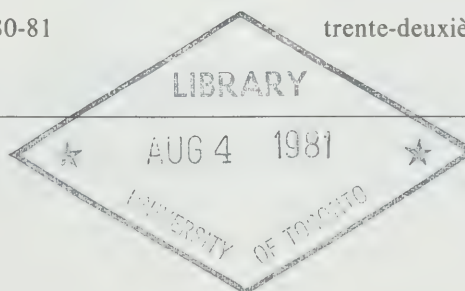
(See back cover)

First Session of the  
Thirty-second Parliament, 1980-81

TÉMOINS:

(Voir à l'endos)

Première session de la  
trente-deuxième législature, 1980-1981





SPECIAL COMMITTEE ON THE FEDERAL-  
PROVINCIAL FISCAL ARRANGEMENTS

*Chairman:* Mr. Herb Breau

*Vice-Chairman:* Mr. Don Blenkarn

Messrs.

Blaikie

Herbert

COMITÉ SPÉCIAL SUR LES ACCORDS FISCAUX  
ENTRE LE GOUVERNEMENT FÉDÉRAL ET  
LES PROVINCES

*Président:* M. Herb Breau

*Vice-président:* M. Don Blenkarn

Messieurs

Loiselle

Thacker

Weatherhead

(Quorum 4)

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*

## MINUTES OF PROCEEDINGS

WEDNESDAY, MAY 20, 1981  
(32)

[Text]

The Special Committee on Federal-Provincial Fiscal Arrangements met at Winnipeg, Manitoba, at 9:00 o'clock a.m., this day, the Vice-Chairman, Mr. Blenkarn, presiding.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker and Weatherhead.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade:* A. R. Dobell; William Haney; Michael Mendelson and Richard Bastien. *From the Research Branch, Library of Parliament:* Christopher Lawless.

*Witnesses: At 9:00 a.m., From the Manitoba Health Organization Inc.:* Mr. Ted Bartman, Chairman of the Board, and Mr. Peter Sloggett, Chairman of the Ad-Hoc Committee on Established Programs Financing Act. *At 9:50 a.m., From the Social Planning Council of Winnipeg:* E. T. Sale, Executive Director. *At 11:10 a.m., From the Legal Aid Lawyers' Association:* Mr. Arnie Peltz, President; Ms. Sheila Rogers, Vice-President, and Ms. Brenda Silver.

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (See *Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

*It was agreed,*—That the brief presented by the Social Planning Council of Winnipeg be printed as an appendix to this day's Minutes of Proceedings and Evidence. (See *Appendix "FISC-33"*.)

*It was agreed,*—That the brief presented by the Legal Aid Lawyer's Association be printed as an appendix to this day's Minutes of Proceedings and Evidence. (See *Appendix "FISC-34"*.)

The witnesses made statements and answered questions.

The Chairman, Mr. Breau, took the Chair.

On motion of Mr. Herbert, it was agreed,—That the correspondence between the Chairman of the Committee and the Premier of Manitoba be printed as an Appendix to this day's Minutes of Proceedings and Evidence. (See *Appendix "FISC-35"*.)

At 12:10 o'clock p.m., the Committee adjourned to 2:00 o'clock p.m.

SECOND SITTING  
(33)

The Special Committee on Federal-Provincial Fiscal Arrangements met *in camera* at Winnipeg, Manitoba, at 2:00 o'clock p.m., this day.

*Members present:* Messrs. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker and Weatherhead.

## PROCÈS-VERBAL

LE MERCREDI 20 MAI 1981  
(32)

[Traduction]

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à Winnipeg (Manitoba), à 9 heures, sous la présidence de M. Blenkarn (vice-président).

*Membres présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker et Weatherhead.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du commerce extérieur:* A. R. Dobell, William Haney, Michael Mendelson et Richard Bastien. *Du Service de recherches de la Bibliothèque du Parlement:* Christopher Lawless.

*Témoins: A 9 heures, de la Manitoba Health Organization Inc.:* M. Ted Bartman, président du conseil d'administration, et M. Peter Sloggett, président du Comité spécial d'étude de la Loi sur le financement des programmes établis. *A 9 h 50, du Social Planning Council of Winnipeg:* E. T. Sale, directeur général. *A 11 h 10, de l'Association des avocats de l'aide juridique:* M. Arnie Peltz, président; M<sup>me</sup> Sheila Rogers, vice-présidente, et M<sup>me</sup> Brenda Silver.

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (Voir *procès-verbal du lundi 23 mars 1981, fascicule n° 1.*)

*Il est convenu,*—Que le mémoire présenté par le Social Planning Council of Winnipeg sera joint en annexe aux procès-verbal et témoignages de ce jour (voir *Appendice «FISC-33»*).

*Il est convenu,*—Que le mémoire présenté par l'Association des avocats de l'aide juridique sera joint en annexe aux procès-verbal et témoignages de ce jour (voir *Appendice «FISC-34»*).

Les témoins font des déclarations et répondent aux questions.

Le président, M. Breau, prend place au fauteuil.

Sur motion de M. Herbert, il est convenu,—Que la correspondance échangée entre le président du Comité et le premier ministre du Manitoba sera jointe en annexe aux procès-verbal et témoignages de ce jour (voir *Appendice «FISC-35»*).

A 12 h 10, le Comité suspend ses travaux jusqu'à 14 heures.

DEUXIÈME SÉANCE  
(33)

Le Comité spécial sur les accords fiscaux entre le gouvernement fédéral et les provinces se réunit aujourd'hui à huis clos à Winnipeg (Manitoba), à 14 heures.

*Membres présents:* MM. Blaikie, Blenkarn, Breau, Herbert, Loiselle, Thacker et Weatherhead.

*In attendance: From the Parliamentary Centre for Foreign Affairs and Foreign Trade: A. R. Dobell; William Haney; Michael Mendelson and Richard Bastien. From the Research Branch, Library of Parliament: Christopher Lawless.*

*Appearing: The Honourable A. B. Ransom, Minister of Finance; The Honourable L. R. Sherman, Minister of Health and the Honourable K. A. Cosens, Minister of Education.*

*Witnesses: Dr. George Johnson, Deputy Minister, Health; R. MacIntosh, Deputy Minister, Education; T. R. Edwards, Executive Director, Manitoba Health Services Committee; W. C. Lorimer, Chairman, Universities Grants Committee; R. Freedman, Executive Director of Community Services; F. Anderson, Director of Administration, Manitoba Health Services Committee; J. Thompson, Administrative Director, Manitoba Health Services Committee and J. Eldridge, Assistant Deputy Minister Finance, Federal-Provincial Relations.*

The Committee resumed consideration of its Order of Reference dated Thursday, February 5, 1981 relating to the Canada Assistance Plan, tax collection agreements, equalization, Established Programs Financing and other fiscal arrangements between the Federal Government and the provinces. (*See Minutes of Proceedings, Monday, March 23, 1981, Issue No. 1.*)

The Minister made a statement and, with the witnesses, answered questions.

At 4:15 o'clock p.m., the Committee adjourned to the call of the Chair.

*Aussi présents: Du Centre parlementaire des affaires étrangères et du commerce extérieur: A. R. Dobell, William Haney, Michael Mendelson et Richard Bastien. Du Service de recherches de la Bibliothèque du Parlement: Christopher Lawless.*

*Comparaît: L'honorable A. B. Ransom, ministre des Finances, l'honorable L. R. Sherman, ministre de la Santé, et l'honorable K. A. Cosens, ministre de l'Éducation.*

*Témoins: M. George Johnson, sous-ministre, Santé; R. MacIntosh, sous-ministre, Éducation; T. R. Edwards, directeur général, Manitoba Health Services Committee; W. C. Lorimer, président, Universities Grants Committee; R. Freedman, directeur général des services communautaires; F. Anderson, directeur de l'administration, Manitoba Health Services Committee; J. Thompson, directeur administratif, Manitoba Health Services Committee, et J. Eldridge, sous-ministre adjoint des Finances, Relations fédérales-provinciales.*

Le Comité reprend l'étude de son ordre de renvoi du jeudi 5 février 1981 portant sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, le financement des programmes établis et les autres accords fiscaux entre le gouvernement fédéral et les provinces. (*Voir procès-verbal du lundi 23 mars 1981, Fascicule n° 1.*)

Le ministre fait une déclaration puis, avec les témoins, répond aux questions.

A 16 h 15, le Comité suspend ses travaux jusqu'à nouvelle convocation du président.

*Le greffier du Comité*

Nora S. Lever

*Clerk of the Committee*



## EVIDENCE

(Recorded by Electronic Apparatus)

Wednesday, May 20, 1981

• 0900

[Texte]

**The Vice-Chairman:** We have before us, on our order of reference, continuation of our hearings on the Canada Assistance Plan, tax collection agreements, equalization, the Established Programs Financing Act, and fiscal arrangements with the provinces.

Before we commence, I want to announce to all here that we have simultaneous translation, and those who wish to pick up translation units, I believe they are over here. So you have the receiver available if you require interpretation into the other official language.

We have before us this morning, as our first witnesses, the Manitoba Health Organization Inc. Mr. Ted Bartman is the Chairman of the Board, and Mr. Peter Sloggett is Chairman of the Ad Hoc Committee on the Established Programs Financing Act.

Gentlemen, I think you have presented us with something as a brief. If it is your intention to go right through the brief in detail, you may do that, or you can just outline the brief to us and we will have the brief as it is written appended to the Proceedings for today.

**Mr. Ted Bartman (Manitoba Health Organization Inc.):** Thank you, Mr. Chairman.

First of all, perhaps I could extend the regrets of our executive director, Mr. Herman Crewson, who was to be here this morning but who found himself having to travel to B.C. on another matter of national importance, the development of a management information system interfaced with a computer service for the health care system in Canada. So he sends his regrets.

Essentially, we are here to underline and support the brief you heard on the 13th of this month in Ottawa; that is, the brief of the Canadian Hospital Association. We would like to underline a few of the recommendations in that document which we feel are the most important.

First of all, I would like to tell you that the Manitoba Health Organization welcomes this opportunity to present its members' position to this task force on the renegotiation of the funding mechanisms and the formulas in the Established Programs Financing Act (1977).

Our organization is an association representing 160 health care institutions, comprising some 14,000 beds in the Province of Manitoba. These institutions are represented by active treatment hospitals, two of which are university-based, full-time teaching facilities, plus personal care homes, extended care facilities, psychiatric facilities, chronic care facilities, and hostels.

The objectives of our organization are as follows: to promote a humane and efficient, effective, and economical health care system of the highest possible standard; and to this end, to

## TÉMOIGNAGES

(Enregistrement électronique)

Le mercredi 20 mai 1981

[Traduction]

**Le vice-président:** Selon notre ordre de renvoi, nous poursuivons nos audiences sur le Régime d'assistance publique du Canada, les accords de perception fiscale, la péréquation, la Loi sur le financement des programmes établis, et les accords fiscaux avec les provinces.

Avant de commencer, je désire annoncer à tout le monde que nous avons de l'interprétation simultanée. Pour ceux qui veulent des appareils d'écoute, ils sont de ce côté-ci, je crois. Vous avez donc le récepteur à votre disposition si vous avez besoin d'interprétation dans l'autre langue officielle.

Nous avons devant nous ce matin, comme premiers témoins, la Manitoba Health Organization Inc. M. Ted Bartman en est le président du conseil, et M. Peter Sloggett est le président du Comité spécial de la Loi sur le financement des programmes établis.

Messieurs, je crois que vous nous avez présenté un mémoire. Si vous avez l'intention de faire une revue détaillée de ce mémoire, vous pouvez le faire, ou alors vous pouvez nous en donner un simple résumé et nous ferons annexer le mémoire au complet à notre Procès-verbal d'aujourd'hui.

**M. Ted Bartman (Manitoba Health Organization Inc.):** Merci, monsieur le président.

En premier lieu, je devrais peut-être présenter les excuses de notre directeur général, M. Herman Crewson, qui devait être ici ce matin, mais qui a dû partir pour la Colombie-Britannique s'occuper d'une autre affaire d'importance nationale, soit la création d'un système d'information de gestion relié à un service informatique pour le système de soins de santé au Canada. Il vous transmet ses excuses.

Essentiellement, nous sommes ici pour expliquer et défendre le mémoire que vous avez entendu le 13 de ce mois-ci à Ottawa, c'est-à-dire, le mémoire de l'Association des hôpitaux du Canada. Nous aimerions souligner quelques-unes des recommandations de ce document que nous croyons les plus importantes.

En premier lieu, j'aimerais vous dire que la Manitoba Health Organization est heureuse de cette occasion qui lui est donnée de présenter la position de ses membres à votre groupe de travail sur la renégociation des mécanismes de financement et des formules dans la Loi de 1977 sur le financement des programmes établis.

Notre organisation est une association qui regroupe 160 établissements de santé, représentant quelque 14,000 lits dans la province du Manitoba. Ces établissements sont représentés par des hôpitaux de traitement actif, dont deux sont des hôpitaux universitaires d'enseignement à plein temps, plus des maisons de soins personnels, des établissements de soins prolongés, des établissements psychiatriques, des établissements de soins chroniques, et des foyers.

Les objectifs de notre organisation sont les suivants: promouvoir un système de soins de santé humain et efficient, efficace et économique du meilleur calibre possible; et à cette

*[Text]*

participate in or sponsor such activities as will contribute to such a system; and also, to represent the collective voice of our membership, or sections thereof, to the general public, government, and other organizations which may influence achievement of the results sought by MHO.

About our position, I mentioned earlier that we participated in the development of, and have reviewed in detail, the brief you heard presented by the Canadian Hospital Association on the 13th of this month in Ottawa. We fully support the recommendations of the CHA, and the brief in its entirety. The Manitoba Health Organization emphasizes its support of the following specific recommendations, which it considers vital to the continued delivery of a high standard of health care in Canada.

Of the 24 recommendations you heard last week, we feel the following are perhaps the most important. The first one is that to protect the national-provincial health insurance program presently in operation, funding by the federal government should be maintained at least at its present level, and the actual funding formula described in the Established Programs Financing Act of 1977 should be maintained for another five years. We also believe all meetings related to the Established Programs Financing Act of 1977 renegotiation should be made public, including interested associations and the media. In addition, we feel the federal and provincial governments should grant observer status to our national association, the Canadian Hospital Association, at all meetings related to the Established Programs Financing Act renegotiations; and that all financial and statistical data and related documentation which pertain to the EPF Act renegotiations should also be made available to the public.

## • 0905

Our major concern at MHO is a statement which was made by the Hon. Allan MacEachen, Minister of Finance, in his Budget Speech last fall, which suggested the achievement of net savings in the social affairs envelope through the renegotiation process of the Established Programs Financing Act. Stable, predictable transfers of health and post-secondary education programming were, in 1976, the primary goal of the EPF arrangements for both levels of government. While that goal appears to have been achieved till now, the federal government is now threatening to introduce significant payment reductions, which could seriously disrupt health and post-secondary education as early as 1982. This is contrary to the purported intention to underline the relative permanence and stability of the arrangements.

The consensus of opinion of the western premiers at their meeting in December of last year noted that federal budget forecasts indicate that the Established Programs Financing transfers for health and post-secondary education would grow at a lower rate than over-all federal outlays over the next three years even if no changes were made to these programs. Arbitrarily reducing funding in an area as important to Canadians

*[Translation]*

fin, participer aux activités qui contribuent à l'édification d'un tel système et parrainer de ces activités; et en outre, représenter la voix collective de nos membres, ou de leurs sections, auprès du grand public, des gouvernements, et d'autres organisations qui peuvent avoir une influence sur la réalisation des résultats souhaités par la MHO.

Pour ce qui est de notre position, j'ai mentionné tantôt que nous avons participé à la rédaction du mémoire qui vous a été présenté par l'Association des hôpitaux du Canada le 13 de ce mois à Ottawa, et que nous l'avons revu en détail. Nous appuyons sans réserve les recommandations de l'AHC, et le mémoire dans sa totalité. La Manitoba Health Organization souligne son appui aux recommandations précises ci-après, qu'elle considère comme essentielles au maintien d'un niveau élevé de soins de santé au Canada.

Sur les 24 recommandations que vous avez entendues la semaine dernière, nous estimons que les suivantes sont peut-être les plus importantes. La première est, que pour protéger le programme national-provincial d'assurance santé présentement en vigueur, le gouvernement fédéral devrait maintenir son financement au moins à son niveau actuel, et que la formule effective de financement décrite dans la Loi de 1977 sur le financement des programmes établis devrait être maintenue pour encore 5 ans. Nous croyons également que toutes les séances de renégociation de la Loi de 1977 sur le financement des programmes établis devraient être ouvertes au public, notamment aux associations intéressées et aux organes d'information. En outre, nous estimons que les gouvernements fédéral et provinciaux devraient accorder un statut d'observateur à notre association nationale, l'Association des hôpitaux du Canada, à toutes les séances de renégociation de la Loi sur le financement de programmes établis; et que toutes les données financières et statistiques et les documents connexes qui ont trait à la renégociation en vertu de la loi sur le FPE devraient être également mis à la disposition du public.

Notre grande inquiétude, à la MHO, est une déclaration qu'a faite l'hon. Allan MacEachen, ministre des Finances, dans son exposé budgétaire de l'automne dernier. Il laissait entendre qu'on réaliserait des économies nettes dans l'enveloppe des affaires sociales par le processus de renégociation de la Loi sur le financement des programmes établis. Les transferts stables et prévisibles de programmes relatifs à la santé et à l'enseignement postsecondaire étaient, en 1976, l'objectif premier des accords de FPE pour les deux niveaux de gouvernement. Bien que cet objectif semble avoir été réalisé jusqu'à maintenant, voici que le gouvernement fédéral menace de pratiquer d'importantes réductions de paiements, ce qui pourrait compromettre, dès 1982, les programmes de santé et d'enseignement postsecondaire. Cela est contraire à la présumée intention de souligner la permanence et la stabilité relatives des accords.

Le consensus d'opinion des premiers ministres de l'ouest à leur réunion de décembre dernier était que les prévisions du budget fédéral indiquent que les transferts de financement des programmes établis pour les domaines de la santé et de l'enseignement postsecondaire augmenteraient à un rythme plus lent que l'ensemble des dépenses fédérales au cours des trois prochaines années même si ces programmes ne connais-



*[Texte]*

as health care, without regard to the consequences, is both unjustified and unacceptable to us.

Health care is a responsibility of the provincial governments, under the BNA Act. However, the introduction of a comprehensive national health care insurance scheme in 1967 brought about contributions by the federal government to the provinces, provided that five essential characteristics were maintained. I am sure you are familiar with those five characteristics.

Required in the transfer of funds to the provinces before the determination that expenditure levels are excessive or out of line with other nations is in our opinion premature. There is a misconception in the public eye, exacerbated by constant news media reports, that health care costs are rising at an alarming rate, unrelated to the GNP. On the contrary, when the rate of expenditure as a percentage of the GNP is compared for the period 1976 to 1979, it is seen to remain essentially at 7.3 per cent. Mr. Chairman, that is well below many other nations, including the U.S. The latest figures we have for the U.S. would suggest that their percentage compared to the GNP is well over 8 per cent. When Canada is compared to the United States, we compare favourably.

The basis of the Established Programs Financing Act of 1977 formula is that it will provide additional funds to the provinces, which will grow according to the growth of the GNP. Since the federal cash contribution grows according to the growth of the GNP, the total federal outlays no longer depend on the costs of the programs, but on the growth of the economy. Ottawa should prove it has exhausted all other possibilities to achieve reduced government spending before these transfer payments to provinces are reduced.

The thrust behind the move to reduce expenditures in the social affairs envelope has been initiated without due regard for the changing population and age of Canadians. It is a fact that people are living longer because of improved health care. To reduce costs when daily technology is providing the means to improve each and every Canadian's chances for improved health and longevity is contra-indicated, particularly when we are experiencing an ageing population in Canada.

We note with concern that the renegotiation of the Established Programs Financing Act is to be done without the presence of the federal and provincial ministers of health, if history is any indication, thereby excluding those with primary knowledge of the needs in one of the more significant portfolios of the EPF Act which was negotiated five years ago. We therefore strongly support the Canadian Hospital Association recommendation in this regard.

The importance of national health care standards for the determination of funding levels is fundamental. The establishment of such standards is tantamount to achievement of a health care system which clearly meets the five basic condi-

*[Traduction]*

saient aucun changement. Réduire arbitrairement le financement dans un domaine aussi important que les soins de santé pour les Canadiens, sans songer aux conséquences, c'est tout à fait injustifié et inacceptable pour nous.

Les soins de santé sont une responsabilité des gouvernements provinciaux en vertu de l'Acte de l'ANB. Toutefois, la mise en œuvre d'un régime national complet d'assurance soins de santé en 1967 a amené des contributions du gouvernement fédéral aux provinces, sous réserve du maintien de cinq caractéristiques essentielles. Je suis sûr que vous connaissez bien ces cinq caractéristiques.

Il est à notre sens prématuré d'exiger que le transfert de fonds aux provinces se fasse avant que l'on ait déterminé que les niveaux de dépenses sont excessifs ou hors de proportion avec ceux d'autres pays. Il y a une fausse conception chez le public, entretenue par de constantes dépêches des organes d'information, selon laquelle les coûts des soins de santé augmentent à un rythme alarmant, hors de proportion avec le PNB. Bien au contraire, lorsqu'on compare le taux des dépenses en pourcentage du PNB pour la période 1976 à 1979, on voit qu'il reste essentiellement à 7.3 p. 100. Monsieur le président, cela est bien plus bas que dans bien d'autres pays, y compris les États-Unis. Les derniers chiffres que nous avons pour les États-Unis font voir que leur pourcentage par rapport au PNB dépasse facilement les 8 p. 100. Le Canada soutient bien la comparaison avec les États-Unis.

Le fondement de la formule de la Loi de 1977 sur le financement des programmes établis est qu'elle assurera des fonds supplémentaires aux provinces, et que ces fonds augmenteront avec le PNB. Puisque la contribution monétaire du gouvernement fédéral croît en fonction de la croissance du PNB, des dépenses fédérales totales ne dépendent plus des coûts des programmes, mais de la croissance de l'économie. Ottawa devrait prouver qu'elle a épuisé toutes les autres possibilités de réduction des dépenses gouvernementales avant de réduire ses paiements de transfert aux provinces.

L'effort de réduction des dépenses de l'enveloppe des affaires sociales ne tient pas compte de l'évolution de la population ni de l'âge des Canadiens. Il est un fait certain, c'est que les gens vivent plus vieux, du fait de l'amélioration des soins de santé. Il est tout à fait contre-indiqué de réduire les coûts lorsque la technologie nous donne chaque jour les moyens d'augmenter les chances de santé et de longévité de chaque Canadien, particulièrement avec le vieillissement de la population du Canada.

Nous déplorons que la renégociation de la Loi sur le financement des programmes établis se fasse en l'absence des ministres fédéraux et provinciaux de la santé, s'il faut en juger par le passé, c'est-à-dire en l'absence de ceux qui connaissent le mieux les besoins de l'un des portefeuilles les plus importants de la loi sur le FPE qui a été négocié il y a cinq ans. Par conséquent, nous appuyons sans réserve la recommandation de l'Association des hôpitaux du Canada à cet égard.

L'importance de normes nationales en matière de soins de santé pour la détermination des niveaux de financement est fondamentale. L'établissement de telles normes est primordial pour la réalisation d'un système de soins de santé qui répond



*[Text]*

tions of the national-provincial health insurance programs. Accordingly, we strongly support the Canadian Hospital Association in this regard also.

• 0910

The existing formula contained in the EPF Act has served Manitoba well during the past five years in our opinion. The basic formula and the funding represented by the formula should not be diluted or reduced in the name of federal restraint. There is no evidence to suggest that the amount of health care financing in Canada has increased at a faster rate than the gross national product. On the contrary, funding by the federal government during the next three years will grow at a rate lower than the GNP according to the predictions of the western premiers.

Mr. Chairman, we thank you for the opportunity to present our document to this task force. We would answer any questions that the members might have to the best of our ability and I would welcome Mr. Sloggett to participate in that portion if there are questions. Thank you.

**The Vice-Chairman:** Thank you very much. Mr. Weatherhead.

**Mr. Weatherhead:** Thank you, Mr. Chairman. When the Canadian Medical Association was before us in Ottawa last week, just before the hospital association, they brought to our attention with very vivid testimony, the crowded conditions in many of the hospitals especially in the metropolitan Toronto area but also in, I think, many of the big cities around the whole country. They quoted us chapter and verse of almost horror stories with respect to important operations having to be done in emergency quarters because there was no room at the inn, ambulances being turned away from emergency admittance entrances because there was no room in emergency quarter—and it went on and on—the necessity of using acute care beds for chronic care patients because there was no other place to put them, and everything else. Now, neither your national association when they were before us last week, nor you this morning, have really, to my knowledge, mentioned anything about the actual conditions in your hospitals. Your conclusion here, in your well put together, succinct brief, is that in Manitoba block funding has served you well over recent years. However, in Ottawa, we heard physicians—and there was a large delegation there from right across the country—talk about the very difficult situations in hospitals right across the country. I wonder whether it is really too incompatible to suggest that the present block funding is just great and that the situation should carry on for another five years, but at the same time, reconcile that with what we have heard in Ottawa from the doctors who are very concerned.

**Mr. Bartman:** Mr. Chairman, I guess we have tended to fight that battle on the provincial scene. Our situation in Winnipeg is very much along the lines of what you describe, perhaps not quite as superacute as doing emergency surgery in

*[Translation]*

clairement aux cinq conditions de base des programmes nationaux-provinciaux d'assurance santé. Par conséquent, nous appuyons sans réserve l'Association des hôpitaux du Canada à cet égard, également.

La formule existante contenue dans la loi sur le FPE a bien servi le Manitoba au cours des cinq dernières années, à notre avis. Il ne faut pas diluer ni réduire la formule de base et le financement qu'elle représente, au nom des compressions fédérales. Rien n'indique que la quantité de financement des soins de santé au Canada a augmenté à un rythme plus rapide que le produit national brut. Au contraire, le financement fédéral au cours des trois prochaines années augmentera à un rythme plus lent que le PNB, selon les prédictions des premiers ministres de l'ouest.

Monsieur le président, nous vous remercions de l'occasion de présenter notre document à votre groupe de travail. Nous répondrons aux questions que les membres pourraient avoir à nous poser, au mieux de nos connaissances, et j'inviterais M. Sloggett à participer à cette partie de notre témoignage, s'il y a des questions. Merci.

**Le vice-président:** Merci beaucoup. Monsieur Weatherhead.

**M. Weatherhead:** Merci, monsieur le président. Quand l'Association médicale canadienne s'est présentée devant nous à Ottawa la semaine dernière, juste avant l'Association des hôpitaux, elle nous a signalé, dans un témoignage très coloré, le surpeuplement d'un grand nombre d'hôpitaux, notamment dans le Toronto métropolitain, mais aussi, sauf erreur, dans un grand nombre des grandes villes de tout le pays. Ils nous ont rapporté avec force détails des cas qui constituent presque des histoires d'horreur à propos d'importantes opérations qui ont dû se pratiquer dans des salles d'urgences parce qu'il n'y avait pas de chambres à l'auberge, des cas d'ambulances qu'on a dû refuser aux entrées d'urgence parce qu'il n'y avait pas de place dans les salles des urgences—et ainsi de suite à n'en plus finir—la nécessité d'utiliser des lits pour soins actifs pour des malades chroniques parce qu'il n'y avait pas d'autre place pour les mettre, et tout le reste. Or, ni votre association nationale, qui comparaisait devant nous la semaine dernière, ni vous ce matin n'avez vraiment, à ma connaissance, mentionné quoi que ce soit des conditions réelles dans vos hôpitaux. Votre conclusion ici, dans votre mémoire succinct et bien structuré, c'est qu'au Manitoba le financement global vous a bien servi ces dernières années. Cependant, à Ottawa, nous avons entendu des médecins—et nous en avons reçu une forte délégation de tout les coins du pays—nous parler des situations très difficiles que connaissent les hôpitaux d'un bout à l'autre du pays. Je me demande s'il est véritablement trop incompatible d'exprimer l'opinion que l'actuel financement global est une très bonne affaire et que la situation ne devrait pas changer avant encore cinq ans, compte tenu de ce que des médecins très inquiets nous ont dit à Ottawa.

**M. Bartman:** Monsieur le président, je suppose que nous avons eu tendance à livrer ce combat sur la scène provinciale. A Winnipeg, la situation ressemble beaucoup à celle que vous décrivez, peut-être pas au point qu'il faille faire de la chirurgie

*[Texte]*

less than optimal conditions, but we do have crowding here. We do have ambulance diversions. I am the executive director of a large community hospital in the downtown area—the largest acute care hospital in the province—and we often have patients in our emergency department on the stretcher for two or three days at least before we can place them. There are a number of reasons for that. I do not want to get into a long answer but the matter of back-up of patients who come into the institution requiring treatment for an acute care pathology involves remedying that particular condition and then being able to send them to another institution of lower cost, not a lower quality institution—a nursing home, or an extended care hospital—that obviously costs less money to run than an acute care facility with all the modern technology that has to be in place. In our province, we seem to be seeing the light at the end of the tunnel. We have gone through a three-year restraint program here with the first year held at about a 2.9 per cent increase and we are talking about operating dollars. However, at this time, there are a number of new alternate facilities that will come on stream in about the next six months to a year which should alleviate that problem to a fair degree. I do not argue with what the CMA has said. I think they are correct. I still think the system has served us well, mainly because I am really mainly interested in Manitoba at this time because that is where I work. In our case we have gone through the restraint program, but there now seems to be a loosening of the purse strings. I am not all that familiar with where the money is coming from to build these new institutions, and to fund them once they are operational, because the operating costs go on year after year after year, at an annualized rate according to inflation, but they are coming on stream.

• 0915

We have a new hospital that has just been phased in in Winnipeg that has 100 beds open and has a further couple of hundred beds to go, and it will open within the next six months or so. So we do see some improvement in that regard. I guess that we tend to be more interested in the bottom line: where all the money will come from to make it happen. We do our best to put our case before the provincial government which is responsible to fund and monitor the programs, and try to impress upon it the need for the facilities, and some of them seem to be coming about at this time. Mr. Sloggett may wish to add to that.

**Mr. Peter Sloggett (Chairman, Ad Hoc Committee, Manitoba Health Organization Inc.):** Yes, Mr. Chairman, I think it is fair to indicate that in our first recommendation, we are suggesting the funding levels be maintained at least at the present level, and that leaves it open for increased funding for some of these programs. I would support Mr. Bartman in that in Manitoba particularly we have noticed more recently that

*[Traduction]*

d'urgence dans des conditions moins qu'optimales, mais nous avons du surpeuplement ici aussi. Nous connaissons, nous aussi, l'obligation d'acheminer des ambulances vers d'autres hôpitaux. Je suis le directeur général d'un grand hôpital communautaire dans le centre-ville—le plus grand hôpital de soins actifs de la province—et nous avons souvent des malades dans notre service des urgences étendus sur une civière pendant deux ou trois jours au moins avant que nous puissions les installer. Il y a plusieurs raisons pour cela. Je ne veux pas me lancer dans une longue réponse, mais la question de la liste des malades qui ont besoin d'être traités pour une pathologie de traitement actif exige que l'on corrige cette condition particulière, puis que l'on soit en mesure de les envoyer à un autre établissement de moindre coût, non pas de moindre qualité—une maison de soins, ou un hôpital pour soins prolongés—dont l'exploitation coûte manifestement moins cher qu'un établissement de soins actifs compte tenu de toute la technologie moderne qu'il faut mettre en place. Dans notre province, il semble que nous voyions la lumière au bout du tunnel. Nous sommes passés par un programme de restrictions de trois ans chez nous; la première année, nous avons gardé l'augmentation à environ 2,9 p 100, et nous parlons là de dépenses de fonctionnement. Cependant, à ce stade-ci, il y a un certain nombre de nouveaux établissements de remplacement qui seront prêts dans les six à douze prochains mois environ et cela devrait atténuer ce problème dans une bonne mesure. Je n'ai rien à redire aux propos de l'AMC. Je pense qu'elle a raison. Je continue à croire que le système nous a bien servi, surtout parce que je m'intéresse vraiment essentiellement au Manitoba à l'heure actuelle, car c'est là que je travaille. Pour notre part, nous sommes passés par le programme de restrictions, mais il semble maintenant que l'on délie les cordons de la bourse. Je ne sais trop d'où vient l'argent pour la construction de ces nouveaux établissements et pour leur financement une fois qu'ils sont en service, car les coûts de fonctionnement se répètent année après année après année, à un taux annualisé en fonction de l'inflation. Mais il reste que nous les aurons.

Nous avons un nouvel hôpital qui vient d'être mis en service à Winnipeg; il a déjà 100 lits exploitables, et il lui en reste encore une couple de centaines à venir, et il ouvrira d'ici six mois ou à peu près. Nous voyons donc une amélioration de ce côté-là. Je suppose que nous avons tendance à nous intéresser davantage à la question fondamentale, qui est de savoir d'où viendra tout l'argent nécessaire pour cela. Nous faisons de notre mieux pour présenter notre cas au gouvernement provincial, qui est responsable du financement et de la surveillance des programmes, et nous cherchons à lui faire valoir le besoin des établissements, dont certains semblent être sur le point de se réaliser. M. Sloggett a peut-être quelque chose à ajouter.

**M. Peter Sloggett (président, Comité spécial, Manitoba Health Organization Inc.):** Oui, monsieur le président, je pense qu'il est juste d'indiquer que, dans notre première recommandation, nous proposons que les niveaux de financement soient maintenus au moins au niveau actuel, ce qui laisse la porte ouverte à une augmentation du financement pour certains programmes. J'appuierais M. Bartman, qui dit qu'au



*[Text]*

there is an opening up of additional care facilities, and as a result of that, some of the pressure is about to be relieved and we are seeing some of that happening now.

I think it is very important that the task force be cognizant of the incredible change in technology that has occurred in the last five years, and what that has done for the average patient. It is our observation that there is equipment available today that will keep people alive and well, whereas five years ago they would not have been able to live, and these people who are now increasing in age are costing us more and more money on an individual basis to maintain to health. It is a very difficult decision for many of the hospitals to make with respect to these patients.

I also work in an acute care facility in Winnipeg, and we see on a continuing basis patients in our hospital who require additional medical care, additional equipment, and we are constantly receiving requests from the medical staffs involved to upgrade that care. TPN, for example, total parenteral nutrition was unheard of five years ago, it is now a very common and expensive process, and we feel there is more and more of this happening all the time. Due to the fairly tight bed situation over the past two to three years, which as I indicated is now being relieved to some degree, only the more seriously ill patients were able to access the acute care hospitals, and accordingly, when the acute care hospitals receive these patients, they were in a much more dire need of medical care than say perhaps five years ago. So we are experiencing, particularly in our facility—and I believe it is true in many of the others—a rising acuity level of the patients that we see, and that is costly. We have experienced financial difficulties in our own organization as a result of that.

**Mr. Weatherhead:** Mr. Chairman, the figures before us show that in the 1976-77, the federal government's share of the total established programs funding transfers in health and post-secondary education, plus other health transfers amounted to 39.4 per cent, so that the federal government in 1976-1977, just before block funding came into effect, in all of the health and post-secondary expenditures in Manitoba spent 39.4 cent. In 1980-81, the fiscal year just finished, the federal government put in 52.3 per cent for the same category. Now that is practically 13 per cent that the federal share has increased, so the provincial share has decreased proportionately in the last five years. So my question to you is, since the federal share has gone up so much and the provincial share has gone down so much, why are you so content with keeping the status quo insofar as block funding is concerned?

• 0920

Some other groups have come before us and said that they would like to go back on a more direct designated program, or

*[Translation]*

Manitoba en particulier nous avons remarqué récemment l'ouverture de nouveaux établissements de santé, ce qui fait que nous allons assister bientôt à un certain relâchement de pression. D'ailleurs, c'est déjà commencé.

Je pense qu'il est très important que le groupe d'étude soit au courant du changement incroyable de technologie qui s'est produit depuis cinq ans et de ce que cela a signifié pour le malade moyen. Nous constatons qu'il existe aujourd'hui du matériel pour garder le monde en vie et en bonne santé, alors qu'il aurait fallu se résigner à leur mort il y a cinq ans, et que ces personnes qui continuent à vieillir nous coûtent de plus en plus d'argent, par individu, à garder en santé. Un grand nombre d'hôpitaux ont une décision très difficile à prendre face à ces malades.

Je travaille aussi dans un établissement de soins actifs à Winnipeg, et nous voyons constamment dans notre hôpital des malades qui exigent des soins médicaux supplémentaires, du matériel supplémentaire, et nous recevons sans cesse des demandes de la part du personnel médical en vue de l'amélioration de ces soins. Par exemple, il y a cinq ans, on n'avait jamais entendu parler de la NTP, la nutrition parentérale totale, alors qu'elle est aujourd'hui un processus très commun et très coûteux. Nous croyons que cela se produit de plus en plus, tout le temps. En raison de la situation pas mal difficile en ce qui concerne le nombre de lits depuis deux ou trois ans, situation qui commence à s'atténuer dans une certaine mesure, comme je l'ai indiqué, seuls les malades les plus graves pouvaient accéder aux hôpitaux de soins actifs, et par conséquent, quand les hôpitaux de soins actifs reçoivent ces malades ils ont un besoin beaucoup plus criant de soins médicaux qu'il y a cinq ans, mettons. Nous connaissons donc, surtout chez nous—et je pense que c'est la même chose dans bien d'autres hôpitaux—une augmentation du niveau d'acuité des malades que nous voyons, et cela coûte cher. Cela nous a causé des difficultés financières, dans notre organisation.

**M. Weatherhead:** Monsieur le président, les chiffres dont nous sommes saisis indiquent qu'en 1976-1977, la part du gouvernement fédéral dans l'ensemble des transferts de financement des programmes établis dans le domaine de la santé et de l'enseignement postsecondaire et des autres transferts dans le domaine de la santé s'est élevée à 39.4 p. 100, de sorte que le gouvernement fédéral, en 1976-1977, juste avant l'entrée en vigueur du financement global, pour l'ensemble des dépenses de santé et d'enseignement postsecondaire au Manitoba, est intervenu pour 39.4 p. 100. En 1980-1981, soit l'année financière qui vient de se terminer, le gouvernement fédéral est intervenu pour 52.3 p. 100 dans cette même catégorie. Cela fait presque 13 p. 100 d'augmentation de la part fédérale, de sorte que la part provinciale a diminué proportionnellement au cours des cinq dernières années. Ma question, donc, est la suivante: Puisque la part fédérale a tellement augmenté et que la part provinciale a tellement diminué, pourquoi êtes-vous si contents du statu quo en ce qui concerne le financement global?

D'autres groupes sont venus nous dire qu'ils aimeraient retourner à un programme désigné plus direct, ou à un pro-



[Texte]

a shared cost program. They want to make sure that they get more moneys coming from the provinces to equal the money that is coming from the federal government, which was more or less the basis before 1977. So the federal share has gone up 13 per cent; the provincial share has gone down; you are in dire need of more money but you are content with the present system. Do you have comments on that?

**Mr. Bartman:** I guess that we say "at least" at the current level in our document, I believe those are the words. We are here to direct our comments more to the federal government because we can talk to the provincial government on a regular basis and we have a good open line of communication with them. We are not totally satisfied, but what troubles us is the word out of Ottawa, from Mr. MacEachen, from the Prime Minister, and I believe from Mr. Fox, about reductions, so that is why that is the main thrust of that recommendation. We are saying "at least" at the current level, and I guess we are addressing ourselves mainly to the federal government because, as I say, we have better access because of geography to talk to the provincial politicians on a regular basis.

**Mr. Weatherhead:** That is fine, Mr. Chairman.

**Mr. Blaikie:** Mr. Chairman, I too am somewhat puzzled by the statement that EPF has served Manitoba well over the last few years, and I find also puzzling the distinction you make between the actions of the provincial government and the actions of the federal government, because the two are related. The actions of the provincial government in that three-year restraint period that you talked about cannot be separated from the fact that they were able to do that with abandon because of the establish programs financing arrangements. So it is not just a question of having two different levels of government unrelated/when you speak to us you speak to us about federal matters, and you speak to them you speak to them about provincial matters. I think the opposite case could be made, that EPF has not served Manitoba particularly well for the simple reason that it made possible the kind of restraint that you experienced for three years; and certainly the light at the end of the tunnel which you are experiencing may not be so much a light at the end of the tunnel as the fact that we are very near a provincial election. It seems to me that your analysis is rather either cautious or naive as to whether or not there is now a light breaking at the end of the tunnel vis-à-vis the possibilities under established programs financing. Have you any response to that?

**Mr. Bartman:** I guess that the only response that we have is that in my 12 years in this industry this is the first opportunity that, through a provincial organization we have had a chance to talk directly to the decision makers in Ottawa. We take that opportunity to speak of federal matters, and we know the two things are related but I can only go back to what I said before when we discussed the matter of the restraint, the provincial restraint program, we did that with the provincial Minister of Health and with the Health Services Commission in Manito-

[Traduction]

gramme à frais partagés. Ils veulent s'assurer que les provinces leur envoient plus d'argent, autant que le gouvernement fédéral, ce qui était plus ou moins la base avant 1977. Ainsi, la part fédérale a augmenté de 13 p. 100; la part provinciale a diminué; vous avez un besoin criant de plus d'argent, mais vous êtes satisfaits du système actuel. Avez-vous des observations à faire là-dessus?

**M. Bartman:** Je pense que nous disons «au moins» au niveau actuel, dans notre document. Je crois que ce sont là les mots que nous utilisons. Nous sommes ici pour adresser nos commentaires plus directement au gouvernement fédéral, car nous pouvons parler régulièrement au gouvernement provincial; nous avons une bonne ligne de communication avec lui. Nous ne sommes pas entièrement satisfaits, mais ce qui nous trouble c'est le mot d'ordre venu d'Ottawa, de M. MacEachen, du premier ministre, et, sauf erreur, de M. Fox, à propos des réductions; voilà ce qui explique l'orientation fondamentale de cette recommandation. Nous disons «au moins» au niveau actuel, et je suppose que nous nous adressons surtout au gouvernement fédéral, car, comme je l'ai dit, nous avons un meilleur accès, en raison de la géographie, aux hommes politiques de la province, à qui nous pouvons parler régulièrement.

**M. Weatherhead:** Très bien, monsieur le président.

**M. Blaikie:** Monsieur le président, je suis moi aussi un peu surpris de la déclaration selon laquelle le FPE a bien servi le Manitoba au cours des quelques dernières années, et la distinction que vous faites entre les actions du gouvernement provincial et les actions du gouvernement fédéral me laisse un peu perplexe, car les deux sont connexes. Les actions du gouvernement provincial au cours de ces trois années de restrictions dont vous avez parlé ne peuvent être isolées du fait que la province a pu agir de la sorte sans inquiétude, à cause des accords de financement des programmes établis. Ce n'est donc pas seulement une question de l'existence de deux niveaux très distincts de gouvernement—quand vous nous parlez vous nous parlez des questions fédérales, et quand vous leur parlez vous leur parlez de questions provinciales. Je pense que l'on pourrait soutenir la thèse opposée, soit que le FPE n'a pas particulièrement bien servi le Manitoba pour la simple raison qu'il a rendu possible le genre de restrictions que vous avez connues pendant trois ans; et certes, la lumière que vous commencez à voir au bout du tunnel n'est peut-être pas tellement une lumière au bout du tunnel que la proximité d'élections provinciales. Il me semble que votre analyse est plutôt soit prudente soit naïve pour ce qui est de savoir s'il y a maintenant une lumière qui point au bout du tunnel vis-à-vis des possibilités en vertu du financement des programmes établis. Comment réagissez-vous à cela?

**M. Bartman:** Je suppose que la seule réaction que nous ayons c'est que depuis 12 ans que je suis dans cette industrie c'est pour moi la première fois que, par l'entremise d'un organisme provincial, nous avons l'occasion de parler directement aux responsables des décisions à Ottawa. Nous saisissons l'occasion de parler de questions fédérales, et nous savons que les deux choses sont reliées, mais je ne puis que répéter ce que j'ai déjà dit à propos des restrictions, du programme de restrictions provinciales—nous l'avons fait avec le ministre

[Text]

ba. I think they understood that we co-operated in the program as best we could. I think our record is pretty good with regard to co-operating with the government and maintaining a high level of care, and I think they also understood that we just could not take any further drastic cuts in our programs without cutting right into the programs. This is really the only way I can respond to you, sir. We have this chance to talk to the feds, you know, so we are talking to the feds about the things that they decide upon. I know you cannot separate the two things, but we have chosen to separate them because we wanted to emphasize the support that we have for the CHA brief and if it is a position that is contrary to your own beliefs, so be it.

• 0925

**Mr. Blaikie:** What I am getting at is that to say EPF has served Manitoba well, for instance—are you saying the Province of Manitoba is taking advantage of the freedom, the flexibility, which was to accrue to the provinces as a result of the agreement in 1977, for instance in the provision of chronic care beds, nursing home beds, et cetera? One of the complaints about the system prior to 1977 was that only acute care beds were cost shared, and with this new flexibility which would come into being after 1977 provinces could then move ahead and use their money more wisely and provide chronic care beds. Yet you just finished saying this is exactly what the Province of Manitoba did not do in the three years subsequent to 1977. In fact it put a freeze on the construction of the very beds it was now supposed to have the flexibility to build.

I just cannot understand why, given the pressure the lack of chronic care beds puts on hospitals in particular, you would want to tell us the system has served you well; or that it has served you well through the actions of the provincial government. It may have been able to serve you well; but did it serve you well?

**Mr. Bartman:** I guess the way to respond to that is as follows. We say it served us well in the context that the vibrations coming our way suggest cuts in that program. Also, in flexibility, we do not decide when new beds come on stream. We can advise the government, they make the decisions. They decided in their own wisdom to go into a three-year restraint program, which they did in a number of areas, including health. They have now decided to construct a number of alternate care beds, which they are doing. So if you ask me, I guess towards the end of the five-year program that flexibility is being used, because all the beds we are discussing, with the exception of a hospital which has been under construction for several years and which is an acute care hospital, are alternate care beds. They are not acute care.

[Translation]

provincial de la Santé et avec la Commission des services de santé du Manitoba. Je crois qu'ils ont compris que nous avons collaboré au programme du mieux que nous avons pu. Pour moi, notre performance est pas mal bonne pour ce qui est de la collaboration avec le gouvernement et du maintien d'un niveau élevé de soins, et je pense qu'ils ont compris que nous ne pourrions tout simplement pas absorber d'autres réductions draconiennes de nos programmes sans couper les programmes mêmes. Voilà véritablement la seule façon dont je puis vous répondre, monsieur. Nous avons cette occasion de parler aux fédéraux, vous savez. Par conséquent, nous leur parlons des choses qu'ils sont appelés à décider. Je sais qu'on ne peut pas séparer les deux choses, mais nous avons choisi de les séparer parce que nous voulions mettre l'accent sur l'appui que nous donnons au mémoire de l'AHC. Et si notre position est contraire à vos propres convictions, c'est bien tant pis.

**M. Blaikie:** Ce à quoi je veux en venir, c'est que le FPE a bien servi le Manitoba, par exemple—dites-vous que la province du Manitoba prend avantage de la liberté, de la souplesse, dont devaient jouir les provinces en vertu de l'accord de 1977, par exemple en ce qui concerne la prestation de lits pour soins chroniques, de lits de maisons de soins, etc.? Un des griefs contre le système d'avant 1977, c'est que seuls les lits de soins actifs étaient à frais partagés. Cette nouvelle souplesse que l'on devait avoir après 1977 allait donner la chance aux provinces d'aller de l'avant et d'utiliser leur argent de façon plus sage et de fournir des lits pour soins prolongés. Pourtant, vous venez tout juste de dire que c'est exactement ce que la province du Manitoba n'a pas fait dans les trois années suivant 1977. de fait, elle a bloqué la construction des installations pour les lits mêmes qu'elle était désormais censé avoir de la souplesse de mettre en place.

Je n'arrive à comprendre pourquoi, étant donné les pressions que l'absence de lits pour malades chroniques met sur les hôpitaux en particulier, vous tenez à nous dire que le système vous a bien servis; ou qu'il vous a bien servis grâce aux actions du gouvernement provincial. Il se peut qu'il ait été capable de bien vous servir; mais vous a-t-il effectivement bien servi?

**M. Bartman:** Je suppose que la façon de répondre à cette question est la suivante. Nous disons qu'il nous a bien servis lorsque les vibrations que nous percevons nous font pressentir des coupures dans ce programme. De même, sur le plan de la souplesse, ce n'est pas nous qui décidons quand nous allons avoir de nouveaux lits. Nous pouvons conseiller le gouvernement; mais c'est lui qui prend les décisions. Il a décidé, dans sa sagesse, de mettre en œuvre un programme de restrictions de trois ans, ce qu'il a fait dans un certain nombre de domaines, y compris celui de la santé. Il a maintenant décidé de construire un certain nombre de lits pour soins de remplacement; et c'est ce qu'il fait. Donc, si vous voulez mon point de vue, je suppose que c'est vers la fin du programme de cinq ans qu'on utilise cette souplesse, parce que tous les lits dont nous parlons, à l'exception de ceux d'un hôpital qui est en construction depuis plusieurs années et qui est un hôpital de soins actifs, sont des lits pour soins de remplacement. Ce ne sont pas des lits pour soins actifs.



[Texte]

**Mr. Blaikie:** I want to caution you about the strategy you have just implied you are employing, which is that there are vibrations about cuts from Ottawa, so you are going to say the existing arrangement is really good. One of the concerns the federal government has in whether or not that flexibility which was supposed to go to the provinces through the EPF is in fact being used for the innovative, creative, and expansive purposes intended. If anything has endangered in the public mind the block-funding arrangement with which you are basically satisfied, it has been the actions of provincial government not living up to the spirit of the agreement in 1977. So I am not sure the strategy of contentment is well advised.

Do you see what I mean?

**Mr. Bartman:** I accept that comment, sure.

**Mr. Blaikie:** I wanted to comment again, and ask for a response, on the fact that the new beds which are to come on stream are not really, if I understand it correctly, an increase so much in public funding of health care, because of the particular philosophical bent of the provincial government. A great many of these new beds coming on stream will be nursing home beds which will be part of proprietary nursing homes, profit-oriented institutions, rather than nonprofit or publicly funded nursing home beds. So I am concerned that you should give the impression that there is now new government money available for the provision of these beds you have indicated the need for, because if I understand the policies of the provincial government correctly, it will be private money and not public money, and these institutions will be profit-oriented nursing care beds and not the kind to which we have been accustomed.

• 0930

**Mr. Bartman:** I am not sure of the exact breakdown on how many are proprietary beds or profit beds and how many are nonprofit. I believe the majority are still nonprofit and therefore the construction is funded by the provincial government. Aside from that, once the beds are operational, they are all funded by the province. The formulas for funding are different. The private homes do not have a budget perse. They strike an average per diem, but they are still provincially funded—the ongoing operating costs. So you are correct about the construction costs of some of the beds, the percentage of which I just do not have with me.

**The Vice-Chairman:** Mr. Loiselle.

**M. Loiselle:** Merci, monsieur le président.

Juste une question bien rapide. Cela n'a pas trait, vraiment, au financement des programmes. Vous sembliez dire tantôt: «Écoutez, continuez le niveau actuel de financement et laissez-en l'entière responsabilité à la province, parce qu'au moins c'est possible de parler aux autorités provinciales, c'est possible d'échanger avec elles, ce qui est impossible avec Ottawa. On est tellement loin d'Ottawa qu'on n'a pas notre mot à dire.»

[Traduction]

**M. Blaikie:** Je veux vous mettre en garde contre la stratégie que vous employez, selon ce que vous venez de sous-entendre, à savoir que, puisqu'il y a des vibrations en provenance d'Ottawa à propos de coupures, vous allez dire que l'accord existant est très bon. Une des choses qui préoccupent le gouvernement fédéral, c'est de savoir si cette souplesse dont étaient censées jouir les provinces par le truchement du FPE est effectivement mis à profit pour les fins innovatrices, créatrices et expansives qu'elle visait. S'il y a une chose qui a mis en danger, dans l'esprit du public, l'accord de financement global dont vous êtes fondamentalement satisfaits, c'est bien les actions des gouvernements provinciaux, qui n'ont pas su respecter l'esprit de l'accord de 1977. Je ne suis donc pas sûr que la stratégie de satisfaction soit bien avisée.

Voyez-vous ce que je veux dire?

**M. Bartman:** J'accepte ce commentaire, bien sûr.

**M. Blaikie:** Je voulais faire un autre commentaire, puis demander votre réaction, sur le fait que les nouveaux lits qui doivent être installés ne représentent pas vraiment, si je comprends bien, une augmentation du financement public des soins de santé, en raison de l'orientation philosophique particulière du gouvernement provincial. Un grand nombre de ces nouveaux lits seront des lits de maisons de soins, qui feront partie de maisons de soins de propriétaires, d'établissements à but lucratif, plutôt que des lits de maisons de soins sans but lucratif ou financées sur les deniers publics. Je ne voudrais pas que vous donniez l'impression que le gouvernement offre maintenant de l'argent frais pour les lits dont vous avez indiqué le besoin, car, si je comprends bien les politiques du gouvernement provincial, ce sera de l'argent privé et non pas des deniers publics, et ces établissements seront des maisons de soins à but lucratif, et non pas des établissements du genre de ceux auxquels nous avons été habitués.

**M. Bartman:** Je ne suis pas sûr de la répartition exacte entre lits de propriétaires ou à but lucratif et lits sans but lucratif. Je crois que la majorité sont encore sans but lucratif et que par conséquent la construction est financée par le gouvernement provincial. À part cela, une fois les lits en exploitation, ils sont tous financés par la province. Les formules de financement sont différentes. Les maisons privées n'ont pas de budget en tant que tel. Elles arrivent à une indemnité quotidienne moyenne, mais elles sont encore financées par la province—en ce qui concerne les coûts d'exploitation permanents. Donc, vous avez raison pour ce qui est des coûts de construction de certains lits, mais je n'ai pas le pourcentage avec moi.

**Le vice-président:** Monsieur Loiselle.

**Mr. Loiselle:** Thank you, Mr. Chairman:

Just a very short question. This does not really concern the funding of programs. A short while ago, you seemed to say: "Listen, keep up the present level of funding and leave it all to the province, because at least it is possible to speak to the provincial authorities, it is possible to share views with them, and it not possible to do that with Ottawa. We are so far from Ottawa that we cannot have a our say."



*[Text]*

Est-ce que c'est au niveau des politiciens, est-ce que c'est au niveau de la structure administrative? Dites-moi ce qui ne va pas dans vos relations avec Ottawa par rapport à celles avec la province? Est-ce tout simplement parce que l'hôpital est à trois milles de la législature provinciale et que vous pouvez rencontrer le ministre sur la rue? Je voudrais comprendre un peu.

**Mr. Bartman:** I did spend some time working for the provincial funding authority for facilities in Manitoba. This was during the time of the 50-cent dollar; the old cost-sharing prior to 1977. From my perspective it seemed the civil service level, the Health Care Directorate in Ottawa—there was more going on between the provincial and federal governments, I guess because of the system. Once it went to a system of tax dollars and cash, which the EPF is, that seems to have dropped off somewhat.

In our own relationships within the province, we have a Health Services Commission here which has a separate board which reports to the Minister of Health. The chairman of the board of that particular organization is available to my board chairman at my institution or to virtually any board chairman if a problem arises which should be taken up at that level. The Executive Director of the Health Services Commission is available to meet with myself or my counterparts in the province and the city on matters we should be dealing with. My staff have access to their staff. I guess it is really geography more than anything. In this system, they are the ones who control the dollars, so they are the ones we are interested in talking to about our programs. It is that simple.

I am not in any way discrediting or knowcking the role of the federal government in this. I know they do work in the area of federal-provincial affairs in health care. Committees still exist. But I guess it is the nature of the system now which makes them less active.

**M. Loiseau:** Maintenant, d'accord, si on résume bien votre pensée, le gouvernement fédéral demeure responsable dans la partie du financement. Maintenant, quant aux modalités, aux conditions, à la façon que les services de santé seront rendus à la population, il vaut mieux en laisser l'entière responsabilité au gouvernement provincial. Est-ce que vous allez jusqu'à dire que des standards nationaux ne sont pas nécessaires et qu'on devrait laisser aux populations du Manitoba, de la Saskatchewan, la responsabilité de régler cela avec leur gouvernement, car il y a des élections à tous les quatre ans? Voulez-vous que ce soit le gouvernement provincial qui détermine quels sont les standards, les modalités des services de la santé à l'intérieur de leur province, sans pour autant qu'il existe de standards vraiment nationaux?

**Mr. Sloggett:** Yes, Mr. Chairman, we believe the establishment of national standards is extremely important, particularly from the point of view of providing health care to Canadians which meets minimum standards across the country. There is and has been concern expressed by the Canadian Hospital Association that there may be differing levels of health care across this country, notwithstanding the provisions of the financing and the Medical Care Act. There is some

*[Translation]*

Is that at the politicians' level, is it at the level of administrative mechanism? Tell me what is wrong in your relations with Ottawa versus with the province? Is it simply because the hospital is three miles away from the provincial legislature and that you can meet the minister on the street? I would like to understand a little bit.

**M. Bartman:** J'ai travaillé pendant un certain temps pour l'administration provinciale responsable du financement des établissements au Manitoba. C'était dans le temps du dollar à 50 cents; de l'ancien partage des frais d'avant 1977. À mon point de vue, il me semblait que le niveau de la Fonction publique, de la Direction générale des soins de santé à Ottawa—il y avait plus d'échanges entre les gouvernements provincial et fédéral, à cause du système, je suppose. Après l'introduction d'un système de dollars fiscaux et d'argent comptant, avec le FPE, cela semble avoir diminué quelque peu.

Dans nos rapports avec la province, nous avons ici une Commission des services de santé, qui a un conseil distinct relevant du ministre de la Santé. Le président du conseil de cet organisme particulier est accessible à mon président de conseil ou à presque n'importe quel président de conseil lorsqu'il se pose un problème qu'il faut examiner à ce niveau. Le directeur général de la Commission des services de santé est disponible pour me rencontrer ou rencontrer mes homologues dans la province et dans la ville relativement aux questions dont nous devons nous occuper. Mon personnel a accès à son personnel. C'est sans doute une question de géographie plus que toute autre chose. Dans ce système, il y a ceux qui contrôlent les dollars, et c'est à eux que nous voulons parler de nos programmes. C'est aussi simple que cela.

Je ne veux pas discréditer ou minimiser le rôle du gouvernement fédéral à ce égard. Je sais qu'il travaille dans les affaires fédérales-provinciales dans le domaine des soins de santé. Il existe encore des comités. Mais je suppose que c'est la nature même du système qui les rends moins actifs.

**Mr. Loiseau:** Now, agreed; to summarize your line of thought, the federal government remains responsible for the financing part. Now, insofar as the details, the conditions and the method of delivering health services to the people are concerned, it is preferable to leave it all to the provincial government. Do you go as far as to say that national standards are not required and that the people of Manitoba or Saskatchewan should be given the responsibility of taking that up with their government, for there is an election once every four years? Do you want the provincial government to be responsible for determining what the standards, what the arrangements are for providing health services within their province, without the benefit of truly national standards?

**M. Sloggett:** Oui, monsieur le président, nous croyons que l'établissement de normes nationales est primordial, particulièrement du point de vue de la prestation aux Canadiens de soins de santé qui répondent à des normes minimales d'un bout à l'autre du pays. L'Association des hôpitaux du Canada s'inquiète depuis un certain temps de ce qu'il puisse y avoir différents niveaux de soins de santé au pays, malgré les dispositions du financement et de la Loi sur les soins médi-

## [Texte]

suggestion that depending on the remoteness and depending on the particular provincial government, user fees and the like can be introduced which may restrict access to the system. We believe that national standards are very important, and we do not believe that they have been established. We feel that minimum national standards would go a long way towards providing equalized care across this country.

• 0935

**M. Loisele:** Alors, vous réclamez d'un côté des standards nationaux, de l'autre côté, vous voulez donner plus qu'une primauté à votre gouvernement provincial dans l'administration des soins et des conditions de la santé. Par contre, pour qu'on puisse avoir des standards minimum nationaux, vous croyez que la participation du gouvernement fédéral doit être au moins ce qu'elle est aujourd'hui. Elle ne pourrait pas être un peu moindre, tout en exigeant autant de standards nationaux. Dans le moment, disons qu'on fonctionne à peu près 50/50, d'accord? Si on voulait réduire la participation fédérale, peut-être à 45 ou à 40 p. 100, et demander aux provinces de faire un plus grand effort dans les provinces particulièrement riches, peut-être que l'argent ainsi épargné pourrait être réinvesti dans les provinces moins nanties, les *have-not*, pour leur permettre de, justement, suivre le rythme des provinces plus riches? Est-ce que vous estimez qu'une diminution du financement fédéral entraînerait automatiquement de sa part l'obligation de diminuer les conditions qu'il rend obligatoire? En fait, est-ce qu'il faut que le gouvernement fédéral paie 50 p. 100 de la note pour avoir droit au moins de mettre des conditions sur la table? Dès qu'il finance moins de 50 p. 100, est-ce qu'il perd la légitimité qu'il a d'imposer des conditions? Est-ce que le 50 p. 100 c'est un chiffre magique, cela?

**Mr. Sloggett:** Mr. Chairman, to make an analogy and say that a reduction by the federal government of its funding of these programs would automatically result in a reduction in service in the Province of Manitoba is speculation. I do not know that. It would obviously mean that the province would have to put up more money to maintain the existing programs.

As indicated earlier by Mr. Bartman, Manitoba has been through a three-year restraint program which I believe has made Manitoba's performance, if you want to use that word in terms of productivity for hours of input and output, reasonably competitive with other western provinces. Any further reductions in funding either at the federal or provincial level, I believe will probably result in some changes in the availability of those programs. It might result in limiting access. It might result in the consideration of user fees, or deterrent fees as some people call them.

On the question you raised relative to the magic 50 per cent: if the federal government establishes standards should they then be committed to a 50 per cent participation? I really do not have a comment on that without giving some further thought to it. The federal government is contributing significantly to these programs and that amount of money varies from province to province, depending on the formula that is in

## [Traduction]

caux. On a donné à entendre que, selon l'éloignement, et selon le gouvernement provincial, il pourrait être introduit des droits d'utilisation et ce genre de choses, qui pourraient restreindre l'accès au système. Nous croyons qu'il est très important d'avoir des normes nationales, et nous ne croyons pas qu'il en ait été établi. Nous estimons que des normes nationales minimales contribueraient pour beaucoup à l'uniformisation des soins d'un bout à l'autre du pays.

**Mr. Loisele:** Therefore, on the one hand, you are asking for national standards, while at the same time you want to give more than a primacy to your provincial government in the administration of health care and conditions. On the other hand, if we are going to have minimum national standards, you feel that the federal government's involvement must be at least what it is now. It could not be less, if we are to maintain the current level of national standards. For the time being, we operate, say, at approximately 50/50, do we not? If we wanted to cut back the federal participation, perhaps to 45 or 40 per cent, and ask the provinces to increase their effort, in the case of the provinces that are particularly rich, perhaps the money thus saved could be reinvested in the have-not provinces to enable them to keep pace with the richer provinces? Do you feel that a decrease in federal funding would automatically require that the federal government lower the conditions which it makes compulsory? Indeed, is it necessary for the federal government to foot 50 per cent of the bill in order to have the right to at least place conditions on the table? The minute it finances less than 50 per cent, does it lose its right to impose conditions? Is 50 per cent a magic figure?

**Mr. Sloggett:** Monsieur le président, pour faire une analogie et dire qu'une réduction du financement de ces programmes par le gouvernement fédéral entraînerait automatiquement une réduction du service dans la province du Manitoba, c'est faire de la conjecture. Je ne le sais pas. Cela signifierait manifestement que la province devrait déboursier plus d'argent pour maintenir les programmes existants.

Comme l'a indiqué plus tôt M. Bartman, le Manitoba est passé par un programme de restrictions de trois ans qui a fait que la performance du Manitoba, si vous voulez utiliser ce mot, pour ce qui est de la productivité par heure d'intrant et d'extrait, soutient raisonnablement la comparaison avec celle des autres provinces. Toute autre réduction de financement, que ce soit au niveau fédéral ou au niveau provincial, selon moi, modifiera probablement l'accessibilité de ces programmes. Cela pourrait entraîner une limitation d'accès. Cela pourrait obliger à envisager des droits d'utilisation, ou des droits de dissuasion, comme certains les appellent.

Pour ce qui est de la question que vous avez soulevée relativement au 50 p. 100 magique: si le gouvernement fédéral établit des normes, doit-il s'engager à participer pour 50 p. 100 au financement? Je n'ai vraiment rien à dire à ce sujet avant d'y avoir réfléchi davantage. Le gouvernement fédéral fait une contribution importante à ces programmes et ce montant varie de province en province, selon la formule en usage à chaque



[Text]

use at the time. I do not have sufficient knowledge, personally, of the exact funding for the other provinces. So I could answer you directly as to whether the federal government should contribute the full 50 per cent. I am afraid that is the best I can answer at this point.

**Mr. Loiselle:** Merci.

**The Vice-Chairman:** Mr. Herbert.

**Mr. Herbert:** Thank you, Mr. Chairman. Mr. Bartman, my question is statistical. I doubt that you have the answer here for me, but I would like to put the question in public so that we can get these answers. Obviously, one of our major concerns is portability, accessibility, of all Canadians to the service.

• 0940

I would like to have the figures on how many persons treated in hospital, in the last year for which the figures are available, were not Manitobans. Of that figure obviously, I would like to get the breakdown, if possible, between Canadians and people from other countries.

I would also like to know how many Manitobans were treated outside this province and made claims against the Manitoba government, or in effect against the system, for payment of charges outside the Province of Manitoba. Would it be possible for us to get those statistics?

**Mr. Sloggett:** Sure.

**Mr. Bartman:** Within Canada, sir? Or are you talking about anywhere outside of the province? World-wide?

**Mr. Herbert:** We are talking about Manitobans being treated outside Manitoba; other Canadians essentially, because I am not too interested in foreign nationals. And we are talking about other Canadians being treated in Manitoba who would, presumably, have the charges sent to their respective provinces for payment. Would it be possible to get those statistics? It would give us a little bit of handle on the movement of citizens from province to another, not necessarily to obtain hospital treatment although probably as a result of requiring it while they are either travelling on business or on pleasure.

**Mr. Bartman:** We will undertake to provide that information.

**Mr. Herbert:** Thank you very much. Thank you, sir.

**The Vice-Chairman:** Perhaps you could just straighten me out on one or two things. With respect to national standards, you have indicated that you deal well with your province. Presumably your standards within the province are financed by the province; but what relationship has your organization with similar organizations in other provinces to develop some sort of a national standard, against which you judge yourselves and against which others might judge your standards?

**Mr. Bartman:** We are one provincial constituent of a national federation, the Canadian Hospital Association. The best information we have is a rather detailed, quarterly, statistical analysis that relates to our activities based on facility by type

[Translation]

époque. Je ne connais pas assez, personnellement, le financement exact dans les autres provinces. Je pourrais donc vous répondre directement à la question de savoir si le gouvernement fédéral devrait fournir le plein 50 p. 100. Je crains que ce soit le mieux que je puisse vous dire à ce stade-ci.

**M. Loiselle:** Merci.

**Le vice-président:** Monsieur Herbert.

**M. Herbert:** Merci, monsieur le président. Monsieur Bartman, j'ai une question d'ordre statistique. Je doute que vous puissiez me répondre ici, mais j'aimerais poser la question en public afin que nous puissions obtenir ces réponses. Manifestement, l'un de nos grands soucis est la transférabilité, l'accessibilité du service pour tous les Canadiens.

Je voudrais connaître, dans la dernière année pour laquelle nous disposons de statistiques, combien de personnes traitées dans les hôpitaux n'étaient pas des Manitobains. Et parmi celles-ci, je voudrais également savoir si possible combien étaient des Canadiens et combien venaient de l'étranger.

Je voudrais également savoir combien de Manitobains ont été traités à l'extérieur de leur province et ont réclamé au gouvernement manitobain, ou plutôt à l'organisme chargé d'administrer le régime, le remboursement de frais subis à l'extérieur de la province. Serait-il possible d'obtenir ces données?

**M. Sloggett:** Bien sûr.

**M. Bartman:** Voulez-vous dire ailleurs au Canada ou bien à l'extérieur de la province, dans le monde entier?

**M. Herbert:** Nous voulons parler des Manitobains qui sont traités à l'extérieur du Manitoba et, essentiellement, des autres Canadiens, car je ne m'intéresse pas trop aux ressortissants étrangers. Il s'agit des autres Canadiens qui sont traités au Manitoba et qui, je le présume, réclament le remboursement de leurs frais auprès de leur province. Serait-il possible d'obtenir ces données statistiques? Cela nous donnerait une idée des déplacements des Canadiens d'une province à l'autre et non pas nécessairement pour obtenir des soins hospitaliers mais qui demandent ces soins au cours de voyages d'affaires ou d'agrément.

**M. Bartman:** Nous tâcherons de vous fournir ces renseignements.

**M. Herbert:** Je vous remercie beaucoup.

**Le vice-président:** Vous pourriez peut-être préciser une ou deux choses. En ce qui concerne les normes nationales, vous avez dit que vous vous tiriez bien d'affaire dans votre province. Je suppose, en ce qui concerne ces normes, que le financement est assuré par la province, mais quelles sont les relations que votre organisme entretient avec des organismes semblables dans les autres provinces pour arriver à certaines normes nationales qui vous permettraient, ainsi qu'aux autres, de juger vos propres normes?

**M. Bartman:** Nous constituons l'organisme provincial d'une fédération nationale, l'Association hospitalière canadienne. La meilleure information dont nous disposons est une analyse statistique trimestrielle plutôt détaillée qui rend compte de nos



[*Texte*]

and size. And the type of statistics which are provided relate to paid hours-per patient-day per service, and that sort of thing.

The standards we rely on heavily in terms of what should be, such as what type of hospital should have an intensive care unit; how large it should be, how it should be staffed, which types of facilities should have ultrasound units, are developed by the federal Special Care Units Program. We use those standards as reference in Manitoba, and we assume the other provinces do as well.

**The Vice-Chairman:** Are you telling me then that the national standards are really a voluntary arrangement between various hospital boards across the country, trying to bring their own standards into line, improve them where necessary, or not improve them if that is deemed not to be necessary—all in accordance with some voluntary guidelines which your own organization through its quarterly publication creates.

**Mr. Bartman:** That is right.

**The Vice-Chairman:** Do you see any problem with national standards being developed in this fashion?

**Mr. Bartman:** Well, we can only go on history and, to date, the types of standards that have been developed I personally think have been very good standards. The various provinces have had membership in the Special Care Units that have been developed, and we are essentially satisfied with them.

**The Vice-Chairman:** You are therefore suggesting to us that there is no need for federal regulation to create federally-imposed standards on provincial organizations?

**Mr. Bartman:** I have not seen evidence to suggest that.

**The Vice-Chairman:** Now, with respect to portability, have you any difficulty with respect to Manitobans going to Ontario or British Columbia or Nova Scotia for that matter, and receiving what might be described as adequate care?

**Mr. Bartman:** I guess the largest problem that exists is the payment mechanism for services received elsewhere. If a particular service is not available here, it is my understanding that the funding agency will pay at a level of their own fee schedule, or 75 per cent of the total costs and, in special cases, that they will remunerate at a higher level and that at times does place a burden on the individual economically. We are talking essentially about some of the more exotic procedures such as bone marrow transplants and the like that are available in perhaps one or two centres in North America.

• 0945

**The Vice-Chairman:** Is that with reference to patients' having to go to the United States or is it with reference to patients' being treated in hospitals in Canada?

**Mr. Bartman:** Both. In Canada I had a personal experience with my family where I incurred costs in B.C. and I was

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activités, d'après les installations classées selon leur type et leur importance. Quant aux statistiques qui sont fournies, il s'agit des heures rémunérées par patient et par jour, par service et ainsi de suite.

C'est grâce au programme fédéral des soins spéciaux que sont élaborées les normes auxquelles nous nous fions largement pour savoir quels services doivent être offerts: quel type d'hôpital doit comporter un service des soins intensifs, quelle doit être l'importance de ces services, quel doit être son personnel, quelles installations doivent avoir à leur disposition des appareils d'examen aux ultrasons, etc. Au Manitoba, ces normes servent de points de référence et nous supposons que les autres provinces agissent de même.

**Le vice-président:** Ce que vous me dites, c'est que les normes nationales sont en fait des dispositions volontaires prises entre les conseils d'administration des hôpitaux partout au Canada qui s'efforcent de rajuster leurs normes, de les améliorer au besoin ou de les perfectionner telles quelles si aucune amélioration ne semble s'imposer, tout cela conformément à des lignes directrices d'application volontaire que votre organisme établit au moyen de sa publication trimestrielle.

**M. Bartman:** C'est exact.

**Le vice-président:** Ne croyez-vous pas que cette façon d'établir des normes nationales puisse poser des problèmes?

**M. Bartman:** Nous ne pouvons que considérer l'expérience passée; or, à ce jour, les normes qui ont été élaborées me semblent personnellement excellentes. Dans les diverses provinces, des membres se sont perfectionnés dans les services de soins spéciaux, et nous en sommes satisfaits dans l'ensemble.

**Le vice-président:** Vous nous dites donc en fait qu'il est inutile d'adopter une réglementation fédérale pour imposer des normes aux organismes provinciaux?

**M. Bartman:** Je n'ai rien constaté qui le démontre.

**Le vice-président:** Parlons maintenant de transférabilité. Éprouvez-vous quelque difficulté au sujet des Manitobains qui vont en Ontario ou en Colombie Britannique ou encore en Nouvelle-Écosse, pourquoi pas, pour recevoir ce qui leur semble être des soins de bonne qualité?

**M. Bartman:** J'ai l'impression que le problème principal se trouve dans les mécanismes de remboursement pour les services reçus à l'extérieur de la province. Si un type particulier de services n'est pas offert ici, je crois savoir que l'organisme compétent fixera le remboursement d'après son propre tarif des honoraires ou encore à 75 p. 100 des frais totaux; dans des cas particuliers, toutefois, le remboursement sera supérieur; il arrive parfois que cela cause des difficultés financières au malade. Il s'agit essentiellement de traitements rares comme la transplantation de moelle osseuse qui ne sont offerts que dans un ou deux centres en Amérique du Nord.

**Le vice-président:** S'agit-il de patients qui doivent se rendre aux États-Unis ou de patients traités dans des hôpitaux canadiens?

**M. Bartman:** Les deux. Au Canada, par exemple, j'ai dû moi-même payer certains soins pour un membre de ma famille

[Text]

remunerated at the Manitoba fee schedule level which was lower than the B.C. level, and I was required to make up the difference. It was not a large expenditure in my case but it certainly pointed out that there is a difference, that once you leave the province the rules change. In addition to that, the matter now of purchasing supplementary insurance, particularly when travelling out of the country, is quite a common practice, either through our own Blue Cross or through Lloyd's of London or whoever—various carriers. Many travellers now take that routinely so that they are covered for any overrun.

**The Vice-Chairman:** That is largely with respect to overruns in other countries though, as opposed to overruns in Canada.

**Mr. Bartman:** Yes. This is out of country, correct.

**The Vice-Chairman:** Could you give us a breakdown of the interprovincial barriers that exist in terms of fee payment, or whatever, so that we would have some indication as to the lack of portability that may exist in the present system?

**Mr. Bartman:** We can. Not immediately, but we will get it for you.

**The Vice-Chairman:** Thank you very much.

**Mr. Bartman:** I believe it varies.

**The Vice-Chairman:** Now, basically, your contention is that EPF is working well, that the province is better off when it is block funded because you can deal with your province more easily and work around the system more easily, dealing with your own people here in Manitoba; that you prefer this way rather than dealing on a specific case-by-case basis or on a menu approach with Ottawa.

**Mr. Bartman:** We say that as I mentioned, Mr. Chairman, in the context of suggestions of reductions to that particular program in terms of level of funds. That is correct.

**The Vice-Chairman:** Thank you very much. Is there anybody else who would like to question the witness? Mr. Herbert, I believe, had another question.

**Mr. Herbert:** I would just like to pursue the point that we have just been discussing here, Mr. Bartman, about the additional cost that you incurred going to another province. Has there been any discussion on a mechanism . . . you have talked of getting insurance when you travel and so on, but everyone does not have that opportunity and they cannot necessarily think in advance of some difficulty that might arise. Have you given any consideration to some means by which that problem can be overcome? You remember my question which was directed to portability and accessibility, but it did not deal with that particular aspect. I was just making a suggestion here: Could we have some form of national insurance that would mean that people that were not able to receive a certain type of service in a province, that maybe could not afford that kind of service—it might be Manitoba or the Maritimes, for example—would have access to that service in another province? This service is obviously paid by the provincial government and by the citizens of that particular province; therefore,

[Translation]

en Colombie Britannique; j'ai été remboursé au taux manitobain, qui est inférieur à celui de la Colombie Britannique, c'est moi qui ai dû payer la différence. Dans mon cas, il ne s'agissait pas d'une dépense considérable, mais cela permet de constater qu'il y a des différences, qu'une fois franchies les frontières de la province, les règles du jeu sont modifiées. Par ailleurs, il devient de plus en plus courant de souscrire à une assurance complémentaire, surtout quand on voyage à l'étranger, soit auprès de Blue Cross soit auprès de Lloyd's de Londres ou de différents transporteurs. Bien des voyageurs ont maintenant pris l'habitude de prendre ce genre d'assurance pour tous les frais non couverts.

**Le vice-président:** Par contre, il s'agit essentiellement de frais subis à l'étranger plutôt qu'au Canada.

**M. Bartman:** C'est exact. Vous avez raison, il s'agit de frais subis à l'étranger.

**Le vice-président:** Pourriez-vous nous dire comment se répartissent ces barrières interprovinciales qui font obstacle au paiement des honoraires pour que nous nous fassions une idée de tout ce qui gêne la transférabilité à l'heure actuelle?

**M. Bartman:** Bien sûr, nous pouvons vous donner ces renseignements, mais pas sur-le-champ.

**Le vice-président:** Merci beaucoup.

**M. Bartman:** La situation varie beaucoup.

**Le vice-président:** Au fond, vous soutenez que le financement par paiements de péréquation fonctionne bien, que la province est en meilleure posture grâce au financement global parce que vous pouvez traiter plus facilement avec votre province et mieux vous débrouiller avec le système pour répondre aux besoins des Manitobains; vous préférez cette formule à des discussions avec Ottawa qui porteraient sur chaque secteur pris isolément.

**M. Bartman:** Monsieur le président, c'est la position que nous adoptons devant les réductions qu'on propose d'apporter au financement des programmes. C'est exact.

**Le vice-président:** Je vous remercie beaucoup. Y a-t-il d'autres questions qu'on voudrait adresser au témoin? Monsieur Herbert, je crois que vous avez une autre question.

**M. Herbert:** Je voudrais simplement revenir sur la question dont nous venons de discuter, monsieur Bartman, c'est-à-dire les suppléments de coût qu'il faut subir quand on passe dans une autre province. N'a-t-on jamais discuté d'un mécanisme . . . vous avez parlé de l'assurance à souscrire lorsqu'on voyage et ainsi de suite, mais tout le monde n'a pas les mêmes possibilités et ne peut pas nécessairement prévoir les difficultés. Avez-vous essayé de trouver un moyen de surmonter ce problème? Vous vous souvenez de ma question sur la transférabilité et l'accès aux services, mais elle ne traitait pas de cet aspect particulier. Je veux simplement faire une proposition: ne pourrions-nous avoir une assurance nationale permettant aux patients qui ne peuvent obtenir un certain service dans leur province et qui ne peuvent se permettre ces services—ce peut être aussi bien au Manitoba que dans les Maritimes—d'obtenir ce service dans une autre province? Évidemment, ce service est payé par le gouvernement provincial et les habitants de la province en cause; il y aurait donc un moyen de transfé-



[Texte]

there has to be some means of transferring that cost back to the citizens of the province where the service is not provided. Have you given any thought to this at all?

**Mr. Bartman:** Our organization has not really taken a position on that. There has been some debate about pressing the provincial government to accept all costs as being insured regardless of what the service is, regardless of where it is provided, as long as a specialist or the appropriate medical authority indicates that the service is required. But we really have not tackled that on a direct basis.

**Mr. Herbert:** Do you see any objection to the federal government making that a condition of block funding?

**Mr. Bartman:** We do not. Not particularly, no. Mr. Chairman, one of the things that we ought to have mentioned and Mr. Sloggett reminded me of, are the terms of standards. There is a national organization that again is voluntary, the Canadian Council on Hospital Accreditation. I am not sure if they appeared before you or not. They, for a fee, will survey your institution and either accredit you for one, two or three years, depending on the excellence of your operation, or not at all if there is no excellence. It is a voluntary program, but it is a program that most of the larger hospitals subscribe to at least and they are regularly surveyed and they are surveyed against preset standards in various areas. Mind you, these deal with the treatment side of the institution as opposed to the hotel side, if you like, but they are very useful standards and it does give you some indication as to where you stand with the operation that you are involved with. But again, it is voluntary at this time.

• 0950

**The Chairman:** Thank you very much, gentlemen, for your presentation. It will certainly be very valuable to us in our deliberations and the consideration of our report. Thank you.

Would Mr. E. T. Sale, Executive Director of the Social Planning Council of Winnipeg, please come forward. He will be about a minute and a half, Mr. Sale, before we get going.

• 0953

**The Chairman:** We have before us the representatives of the Social Planning Council of Winnipeg, Mr. E. T. Sale, Executive Director. Mr. Sale has given us a copy of his brief. We have a procedure, Mr. Sale, to have this appended to our proceedings so you do not have to read it all for it to be on the record, but it is up to you. Do you wish to read the brief or do you want us to append it and then you can summarize it perhaps in five or ten minutes? We could then go on to questioning.

**Mr. E. T. Sale (Executive Director, Social Planning Council of Winnipeg):** I think if I may, Mr. Chairman, I will go

[Traduction]

rer le coût pour qu'il soit assumé par les habitants de la province où le service n'est pas offert. Est-ce là une possibilité à laquelle vous avez songé?

**M. Bartman:** Notre organisation n'a pas vraiment pris position à ce sujet. Il a été question d'inviter le gouvernement provincial à assumer tous les frais comme étant assurés, peu importe la nature du service, l'endroit où il est offert, pourvu qu'un spécialiste ou une autorité médicale compétente décide que ce service est nécessaire. Mais ce n'est pas là une question à laquelle nous nous sommes attaqués directement.

**M. Herbert:** Auriez-vous des objections à ce que le gouvernement fédéral en fasse une condition préalable au financement global?

**M. Bartman:** Non, pas particulièrement. Monsieur le président, il y a un point dont nous aurions dû parler et M. Sloggett me le rappelle, et il s'agit de la nature des normes. Il y a une organisation nationale volontaire, le Conseil canadien de l'accréditation hospitalière. J'ignore si cet organisme a comparu devant le comité. Contre certains honoraires, cet organisme fera une étude de l'établissement et donnera une accréditation de une, deux ou trois années, selon la qualité de l'exploitation et pourra même refuser cette accréditation. Il s'agit d'un programme volontaire, mais la plupart des grands hôpitaux y souscrivent pour au moins obtenir une enquête régulière et une évaluation par rapport à des normes pré-établies dans divers domaines. Évidemment, il s'agit des services de traitement plutôt que de l'hébergement, si l'on peut dire, mais ces normes sont très utiles et elles permettent de se faire une idée de la qualité du fonctionnement de l'hôpital. Cependant, je le répète, tout cela est simplement volontaire.

**Le président:** Messieurs, je vous remercie beaucoup de votre exposé. Il nous sera extrêmement utile dans nos délibérations et dans la rédaction de notre rapport. Merci.

Je prierais maintenant M. E. T. Sale, directeur général du Social Planning Council of Winnipeg de s'avancer. Monsieur Sale, nous aurons une pause de une ou deux minutes avant de poursuivre les délibérations.

**Le président:** Nous accueillons le représentant du Social Planning Council of Winnipeg, M. E. T. Sale, directeur général. M. Sale nous a donné le texte de son mémoire. Nous avons adopté comme pratique monsieur Sale, d'imprimer les mémoires en appendice pour que vous n'ayez pas à les lire intégralement pour qu'ils figurent dans le compte rendu sans qu'une lecture intégrale soit nécessaire, mais c'est comme vous voudrez. Voulez-vous donner lecture de votre mémoire ou voulez-vous l'insérer en appendice et vous contenter d'un résumé de cinq ou dix minutes? Nous pourrions ensuite passer aux questions.

**M. E. T. Sale (directeur général, Social Planning Council of Winnipeg):** Si vous me le permettez, monsieur le président,



[Text]

through it without reading it all, but I will take you through it, in effect, in a highest fashion.

**The Chairman:** Okay. Thank you. So is it agreed that we append the submission of the Social Planning Council of Winnipeg to today's proceedings?

**Some hon. Members:** Agreed.

**The Chairman:** Mr. Sale.

**Mr. E. T. Sale:** Thank you very much, Mr. Chairman, members of the committee.

I would like, first of all, to apologize on behalf of the volunteer board members of the planning council. It is our annual meeting tomorrow and they are giving up a good chunk of their day tomorrow to be at that meeting, so they are unable to be with us this morning. On behalf of Dr. Gillespie and Mrs. Good, I bring you their apologies.

I would also like to say that while we had less time than we would have liked to prepare the brief and circulate it, it is endorsed by some very major human service providers in Winnipeg and Manitoba, including a list that is on page 9. It includes the Family Services of Winnipeg, whose Executive Director is here in the audience; the Society for Crippled Children and Adults of Manitoba, both the Manitoba division and the Winnipeg Branch of the Canadian Association for the Mentally Retarded; the Canadian Paraplegic Association and Citizen Advocacy Manitoba. These organizations between them represent groups whose budgets and staffs exceed \$30 million in terms of expenditures that they are directly involved with each year and they include all except for the blind of Manitoba's handicapped population in terms of the vocational rehabilitation of disabled persons act. I have no doubt that had we had more time to circulate the brief in terms of board of directors meeting schedules, other large voluntary organizations would also have supported the brief and endorsed it.

• 0955

Therefore, Mr. Chairman, I am speaking not only on behalf of the planning council but on behalf of those other organizations as well.

Under the British North America Act—that very popular and topical document—there is no question that the provinces have jurisdiction in most of the areas with which we are today concerned. However, in 1976, 34 per cent of the federal government's budget was spent in human services or transfer payments of all kinds, whereas only 12 per cent of the provinces' budgets were so spent.

The answer to this kind of perplexing dilemma lies in both the taxation provisions of the BNA Act and in the federal historic commitment to providing equitable standards of services across the country.

If that is the federal commitment, why the current review? Historically, the federal government role has been to gradually ensure minimum levels of support and services in all areas of human service to all Canadians, starting with old-age pensions many years ago and broadening to include by 1968 medicare,

[Translation]

je vais parcourir mon mémoire sans en faire une lecture intégrale. Je me contenterai d'en signaler les points saillants.

**Le président:** D'accord, merci. Le Comité est-il d'accord pour que nous fassions imprimer le mémoire du Social Planning Council of Winnipeg en appendice aux délibérations d'aujourd'hui?

**Des voix:** D'accord.

**Le président:** Monsieur Sale.

**M. E. T. Sale:** Merci beaucoup, monsieur le président et messieurs les députés.

Je voudrais commencer par vous présenter des excuses au nom des membres bénévoles du conseil d'administration. Ils doivent demain consacrer une bonne partie de leur journée à la réunion annuelle. C'est pourquoi ils n'ont pu m'accompagner ce matin. Je vous présente donc les excuses de M. Gillespie et de M<sup>me</sup> Good.

Je tiens également à souligner que même si nous n'avons pas eu tout le temps voulu pour rédiger notre mémoire et le diffuser, celui-ci recueille l'appui de certains organismes très importants qui fournissent des services sociaux à Winnipeg et ailleurs au Manitoba; certains d'entre eux figurent dans la liste de la page 9. Notons par exemple le Family Services of Winnipeg, dont le directeur général est ici présent, la Society for Crippled Children and Adults of Manitoba, la division manitobaine et la section de Winnipeg de l'Association canadienne des arriérés mentaux, l'Association canadienne des paraplégiques ainsi que Citizen Advocacy Manitoba. Ensemble, ces organismes représentent un budget qui dépasse les 30 millions de dépenses directes chaque année; cela comprend tout, en ce qui concerne la réadaptation professionnelle des handicapés, à l'exception des aveugles du Manitoba. J'ai la conviction que si nous avions eu plus de temps pour communiquer le mémoire aux conseils d'administration, d'autres organismes bénévoles importants auraient également appuyé notre mémoire.

Par conséquent, monsieur le président, je parle non seulement au nom du Conseil de planification mais également au nom de ces autres organismes.

Aux termes de l'Acte de l'Amérique du Nord britannique—document dont on entend beaucoup parler—it est certain que les provinces ont compétence dans la plupart des domaines qui nous intéressent aujourd'hui. Toutefois, en 1976, 34 p. 100 du budget du gouvernement fédéral était consacré à des services à la personne ou à des paiements de transfert de toutes sortes, alors que 12 p. 100 du budget des provinces était réservé à ce domaine.

Ce paradoxe trouve sa réponse dans les dispositions fiscales de l'Acte de l'Amérique du Nord britannique et dans les engagements que le gouvernement fédéral a toujours tenu à assurer dans tout le pays des services d'un niveau équitable.

Si les engagements du gouvernement fédéral sont tels, alors pourquoi le réexamen actuel? Par le passé, le rôle du gouvernement fédéral a été d'assurer progressivement un niveau minimum de services dans tous les domaines intéressant les services à la personne, à commencer par la sécurité de la vieillesse, il y

[Texte]

the Vocational Rehabilitation of Disabled Persons Act, the Canadian Assistance Plan and so forth.

We have a system that is envied by many of those in the free world today. But in wanting to assure those minimum service standards the federal government found itself in a dilemma because the BNA Act gives jurisdiction to the provinces in most of those areas. To surmount this difficulty the federal government used its taxation and spending powers under Section 91.3 and Section 91.1A of the BNA Act. In so doing, it had two routes that it could go; it could either pay cash directly to the hands of individuals or it could fund provinces to administer services. This evolutionary process has resulted in the federal government being the silent funder of more than 40 per cent of the budget of some provinces and in Manitoba's case of over 60 per cent of our health-care costs. This process also forms the backdrop for the problems which we think led to your current review.

Basically, the federal government is on the horns of a dilemma. Historically, they want to ensure minimum services. However, current economic conditions and their perception of public opinion have led them to conclude that they must reduce expenditures. It is also, I think, a large component of the current problem that the average citizen does not understand the degree to which his federal government is involved in funding services on which he is so dependent.

Given these two facts, the economic reality and the low perception of political payoff for federal funding, we think that that created the matrix for this current review.

We think that it is probably not too hard to understand, then, why social services are targeted for cutbacks. They are not generally the most popular of services and the public certainly does not understand the federal government's role in funding them.

The planning council, however, thinks there are more desirable ways of solving this problem than the federal government abandonment of its historic role.

We would like to say, first of all, and categorically, we do not believe that the federal government can continue its commitment to minimum standards in the human service field and by that, Mr. Chairman, whenever I say, "human services", I mean the whole realm of transfer payments, health care, social services, unemployment insurance—the whole vast array of services.

We do not believe you can continue the commitment to minimum standards and reduce expenditures below the inflationary level increases in the social affairs envelope. In fact, historically, the costs of those services have increased faster than the rate of inflation and some economists argue that this is not only desirable, but necessary in times of high inflation.

Furthermore, basic demographic realities suggest that as the population shifts we will need more, not fewer, services in the

[Traduction]

a de nombreuses années, l'assurance-maladie, en 1968, la Loi sur la réadaptation professionnelle des handicapés, le Régime d'assistance publique et ainsi de suite.

Notre régime fait l'envie de nombreux pays du monde libre. Mais en voulant assurer ces services d'un certain niveau minimum, le gouvernement fédéral s'est trouvé dans un dilemme, car l'Acte de l'Amérique du Nord britannique réserve aux provinces la compétence dans la plupart de ces domaines. Pour surmonter cette difficulté, le gouvernement fédéral a eu recours à ses pouvoirs de taxer et de dépenser, prévus aux articles 91.3 et 91.1A de l'Acte de l'Amérique du Nord britannique. A partir de là, deux possibilités s'offraient à lui: il pouvait soit verser de l'argent directement aux particuliers ou financer les provinces au titre de ces services. C'est ainsi que, progressivement, le gouvernement fédéral est devenu la source fort discrète de plus de 40 p. 100 du budget de certaines provinces et, dans le cas du Manitoba, de plus de 60 p. 100 des frais des soins de santé. Voilà dans quel contexte se présentent les problèmes qui, nous semble-t-il, ont abouti au réexamen actuel.

Essentiellement, le gouvernement fédéral est emprisonné dans un dilemme. Jusqu'ici, il a voulu assurer certains services minimums. Toutefois, la conjoncture actuelle et sa perception de l'opinion publique l'a amené à conclure qu'il devait réduire ses dépenses. Un autre élément très important du problème actuel, c'est que le Canadien moyen ne sait pas dans quelle mesure le gouvernement fédéral participe au financement de services sur lesquels il compte tellement.

Ce sont donc ces deux faits, la réalité économique et les avantages politiques médiocres qui découlent du financement fédéral, qui nous semblent avoir préparé la scène pour le réexamen actuel.

Il n'est probablement pas trop difficile de comprendre pourquoi ce sont les services sociaux qu'on vise pour effectuer des coupures. Généralement, ce ne sont pas les services les plus populaires, et le public ne comprend assurément pas le rôle du gouvernement fédéral dans leur financement.

Le Conseil de planification, pour sa part, estime qu'il y a d'autres moyens de régler le problème que de laisser le gouvernement fédéral renoncer au rôle qu'il a joué jusqu'ici.

Pour commencer, et nous l'affirmons catégoriquement, nous ne croyons pas que le gouvernement fédéral puisse maintenir ses engagements à l'égard de normes minimales dans le domaine des services à la personne. Et par cette expression, «services à la personne», je veux désigner l'ensemble des paiements de transfert, les soins de santé, les services sociaux, l'assurance-chômage, tout cet ensemble très vaste de services.

Nous ne croyons pas que vous puissiez conserver cet engagement et réduire en même temps les dépenses en deçà des augmentations inflationnistes du budget des affaires sociales. En fait, par le passé, le coût de ces services a augmenté plus vite que le taux d'inflation, et certains économistes soutiennent que cela n'est pas seulement souhaitable mais également nécessaire en période d'inflation sévère.

En outre, des données démographiques élémentaires montrent qu'à l'avenir, il nous faudra des services plus abondants



## [Text]

areas of home care, Pharmacare, nursing home care and probably acute care for our older population.

• 1000

Manitoba, Mr. Chairman, is a particularly dramatic example of this. By the year 2,000, we will have two senior citizens in Winnipeg for every one who was alive in 1976. That is, there will be 103,000 senior citizens in a population of 650,000 by the year 2,000 in our city. And the level of services which those citizens will require, if we simply take a projection of our current pattern, will consume all our acute care beds, double the requirement for nursing home care, and greatly expand the requirements for home care. Now I think that there are other ways of dealing with that problem, but I simply want to underline that demographic trends in our province at least, are such that cutbacks in that area simply cannot be contemplated.

The second major point in this area of minimum standards is that those services funded under CAP and VRDP by practically all evaluations are agreed to be in their early developmental stages, and Manitoba has taken a leading role in the development of such services. Some, such as home care services, do not even exist in some provinces. Many of Manitoba's services for the mentally retarded which are argued to be inadequate by our people, do not even exist in other provinces. So to say that these service systems are mature enough to be sustained by a formula grant approach is to fly in the face of evidence to the contrary. Clearly, minimum standards in these areas have not even been reached, and cannot ever be achieved with expenditure reductions.

Therefore, Mr. Chairman, we ask the federal government as a matter of policy to clarify its position. Will it maintain equitable minimum standards of human services across the country and raise funds in order to enable it to do this, or will it abandon that historic role and devolve that role to the provinces?

The second major section of our brief concerns the revenue question. The federal government appears to feel that its major problem is an expenditure problem; that is, it must reduce or contain expenditures. They see the issue which is focused on the social affairs envelope as an expenditure issue.

We would suggest that this is both an unrealistic narrowly conceived few. First, the current tax system, especially as it relates to social policy goals in the areas of child and family deductions, child tax credits and family allowances, is a confusing muddle of provisions which often seem to work at across purposes. We would suggest that a full-scale review of the personal taxation system could yield a simpler annual exercise for taxpayers as well as a more efficient pursuit of social goals for the government.

## [Translation]

dans les domaines des soins au foyer, des médicaments, des soins en maison de repos et probablement, des soins intensifs pour les personnes âgées.

Monsieur le président, le Manitoba est un exemple particulièrement pathétique à cet égard. D'ici l'an 2,000, il y aura deux personnes âgées, à Winnipeg, pour chaque personne qui était vivante en 1976. C'est dire qu'il y aura 103,000 personnes âgées dans une population de 650,000 d'ici l'an 2,000. Les services nécessaires à ces personnes exigeront, si nous établissons des prévisions à partir des tendances actuelles, tous les lits actuellement réservés aux soins intensifs, le double des soins en maison de repos et des services au foyer beaucoup plus abondants. A mon avis, il y a d'autres façons de régler ce problème, mais je tiens simplement à souligner les tendances démographiques qui rendent tout à fait inconcevables, du moins dans ma province, quelque coupure que ce soit dans ce domaine.

Autre grande question dans ce domaine des services minimum à assurer est celle des services financés en vertu du Régime d'assistance publique du Canada et du Programme de réadaptation professionnelle des handicapés, services qui, selon toutes les évaluations, en sont au début de leur développement; le Manitoba a joué un rôle de premier plan dans la mise en place de ces services. Certains d'entre eux, comme les services au foyer, n'existent même pas dans certaines provinces. Bien des services offerts par le Manitoba aux arriérés mentaux, services pourtant jugés insuffisants par les Manitobains, n'existent même pas dans d'autres provinces. C'est donc nier l'évidence que d'aller soutenir que ces services ont acquis la maturité nécessaire pour être soutenus au moyen de subventions. A l'évidence, on n'a pas encore atteint les normes minimales dans ces domaines et il sera impossible d'en améliorer la qualité si les dépenses sont réduites.

C'est pourquoi, monsieur le président, nous demandons au gouvernement fédéral de clarifier sa position. Continuera-t-il d'assurer des normes minimales équitables pour les services à la personne dans tout le Canada et de percevoir les ressources nécessaires à cet égard ou renoncera-t-il à ce rôle historique pour le laisser aux provinces?

Le deuxième grand chapitre de notre mémoire porte sur les revenus. Le gouvernement fédéral semble estimer que son principal problème a trait aux dépenses, qu'il s'agit de réduire ou de contenir. Le seul problème qu'il voit dans l'enveloppe des affaires sociales, c'est un problème de dépenses.

Selon nous, il s'agit là d'une opinion peu réaliste et fort étroite. Tout d'abord, l'actuel régime fiscal, notamment en ce qui concerne les objectifs de la politique sociale dans le domaine des déductions pour les enfants et la famille, les crédits d'impôt pour les enfants et les allocations familiales est un méli-mélo de dispositions qui semblent parfois contradictoires. Une révision en profondeur du régime fiscal des particuliers permettrait à la fois de faciliter la tâche des contribuables et de poursuivre de façon plus efficace les objectifs sociaux du gouvernement.



[Texte]

[Traduction]

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Secondly, it is clear that the federal deficit began to escalate in the mid-seventies, when two things happened: indexation and oil. To expect that the pressures generated by that laudable public policy of indexation, and by the completely uncontrollable issue of oil, should be in effect landed on the social affairs envelope is unfair, in that it is unrealistic and it attacks the most vulnerable of our citizens. If governments are going to cope effectively with the implied demands in this area which we are familiar with, all programs of government, not simply social affairs envelope programs, must be very carefully scrutinized for their effectiveness and efficiency, and likely—we cannot say categorically, because we do not have the research staff to prove it; but likely—you are going to require new revenues and you are not going to be able to maintain your role on the old revenue base. Obviously those revenues will likely be resource-based revenues to a very large extent.

The third major point, Mr. Chairman, is there are many variations, but there are three basic kinds of fiscal mechanisms: unconditional block-funding, conditional block-funding or block grants, and cost-sharing. We would like to ask which mechanism, in the most general terms, best serves the historic social policy role of the federal government?

Unquestionably, unconditional block-funding cannot, simply because it is unconditional. If it is totally unconditional, then it is not going to serve any goals of the giver, except insofar as the recipient is grateful. I think current negotiations between the federal and provincial governments lead one to believe gratitude is not one of the big dynamics of those negotiations.

Secondly, conditional block grants tied to economic formulae of one sort or another may allow for the maintenance of some standards, but only if two conditions are met. First, the costs of such minimum standards must not rise faster than the formula. That is kind of obvious. Secondly, the standards must have been achieved in the first place. For example, home care is an immature service in this province and probably in most provinces. It is not expanded to the optimum level for efficient, effective service delivery.

Mr. Chairman, may I just tell you a short anecdote about Swan River, which is a very fine farming community in north-western Manitoba where I was doing a seminar with the hospital board last week. They told me they were beginning to see a very distinct shift in the patterns of care for the elderly in that community. The elderly in Swan River and the Swam Valley Hospital District comprise over 20 per cent of the population now. In some towns it is 26 per cent. So they are in effect a microcosm of what Canadian society might look like long after you and I are dead, in 2030 or so, when the senior citizen population goes over the 20 per cent mark.

Deuxièmement, il est clair que le déficit fédéral a commencé à s'aggraver au milieu des années 70 à cause de l'indexation et de la crise pétrolière. Il serait injuste de faire en sorte que les pressions engendrées par cette politique fort louable de l'indexation et par la situation complètement incontrôlable du pétrole agissent en fait sur l'enveloppe des affaires sociales, car cela est peu réaliste et ce sont les plus vulnérables de notre société qui en souffrent. Si l'on veut que les gouvernements répondent effectivement aux demandes sous-jacentes en ce domaine et que nous connaissons bien, tous les programmes du gouvernement, et non pas seulement ceux de l'enveloppe sociale, doivent être étudiés très soigneusement pour en vérifier l'efficacité et l'efficience. Il est probable, mais nous ne pouvons être plus affirmatifs, car nous n'avons pas le personnel de recherche nécessaire pour le prouver, qu'il vous faudra de nouvelles recettes et que vous ne serez pas en mesure de continuer à jouer le même rôle en conservant la même assiette fiscale. De toute évidence, ces recettes doivent dans une très large mesure venir du secteur des ressources.

Troisième point important, monsieur le président, malgré les nombreuses variantes, il y a au fond trois sortes de mécanismes fiscaux: le financement global inconditionnel, le financement global conditionnel ou les subventions globales et le partage des coûts. Il faudrait se demander quel mécanisme, sur le plan le plus général, sert le mieux le rôle que le gouvernement fédéral a joué jusqu'ici dans le domaine social.

Assurément, ce ne peut être le financement global inconditionnel, précisément parce qu'il est inconditionnel. Ce financement ne peut être orienté en fonction des objectifs du donateur, sauf dans la mesure où celui qui reçoit les fonds est reconnaissant. Les négociations actuelles entre le gouvernement fédéral et les provinces nous portent à croire que la gratitude n'entre pas pour beaucoup dans la dynamique de ces négociations.

Deuxièmement, les subventions globales conditionnelles liées à des formules économiques diverses peuvent permettre d'assurer certaines normes, mais seulement si deux conditions sont respectées. La première, les frais à engager pour respecter les normes ne doivent pas augmenter plus rapidement que la formule de financement. C'est l'évidence même. Deuxièmement, il faut atteindre ces normes. Ainsi, les soins au foyer constituent un service qui n'est pas pleinement développé, ni dans notre province ni, probablement, dans la plupart des autres. Ils ne sont pas rendus au niveau optimal pour assurer une prestation efficiente et efficace.

Monsieur le président, permettez-moi de raconter une anecdote au sujet de Swan River, très belle localité agricole dans le nord-ouest du Manitoba où je participais à un colloque avec le Conseil d'administration de l'hôpital la semaine dernière. Ces gens me disaient qu'ils commencent à percevoir une très nette évolution dans les soins pour les personnes âgées. Celles-ci représentent actuellement plus de 20 p. 100 de la population à Swan River et dans le district hospitalier de la localité. Dans certains villages, on atteint les 26 p. 100. Nous avons donc peut-être là une microcosme de ce que sera la société canadienne quand vous et moi serons disparus, aux environs de

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They have found that with the home care program development which has gone on in that community, senior citizens are no longer requiring the kinds of institutional care they formerly did require. They are able to stay in their own homes much longer, and they are skipping some of the senior citizen housing and Level I-Level II care which formerly was needed. Obviously that is a tremendously cost-efficient program, and it is obviously tremendously humane, because it allows those people to remain in their own surroundings as long as possible. I am told they are seeing more first admissions to Level III and Level IV nursing care which then are in fact terminal admissions, and the person dies in the nursing home in a relatively short time.

I am not advocating death for all the nursing homes; I am saying the home care program has shifted the dynamics of the care for elderly people, and the potential for shifting both the costs and the human suffering involved in early institutionalization, or frequent institutionalization, is something I think we would all desire.

So to argue that home care as a program is a mature service and we can fund it under some formula tied to GNP and CPI I think is a counterproductive argument. A formula tied to objective indicators will not likely serve such a program's expansion. However, if there is general agreement, for example, that acute care service delivery across the province has reached a fairly optimal level of development, that it is a reasonably mature system, then conditional block grants tied to economical formulae may allow for the maintenance of those minimum standards of care which have been achieved everywhere.

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However, cost-sharing is the only transfer mechanism which is inherently capable of unequivocal maintenance of standards and necessary growth for immature services, since it allows for orderly expansion at a rate greater than the growth of the economy. It is also inherently the only way to ensure adequate income maintenance levels in public assistance programs, and it is particularly vital to municipalities in this regard.

Therefore, the Planning Council recommends that in social policy areas the federal government employ only either conditional block-funding or cost-sharing in federal-provincial fiscal arrangements. Specifically, we recommend the maintenance of cost-sharing for all services currently funded under CAP and VRDP. We also recommend, Mr. Chairman, yet again, but hopefully not with the same futile outcome, a review of social service legislation consistent with the 1978 Social Services Act, with its emphasis on preventive care.

[Translation]

2,030, lorsque les personnes âgées représenteront plus de 20 p. 100 de la population.

On a constaté là-bas que grâce au programme de soins au foyer appliqué dans cette région, les personnes âgées ne demandaient plus les soins en établissement qu'il leur fallait auparavant. Elles peuvent rester dans leur propre demeure plus longtemps et la demande d'hébergement en foyer et de soins de niveau I et II s'est atténuée. Il s'agit donc d'un excellent programme du point de vue coût-efficacité et d'un programme très humain, car ces personnes peuvent rester dans leur milieu le plus longtemps possible. On me dit par contre qu'il y a un plus grand nombre de premières admissions au niveau III et IV de soins infirmiers, et il s'agit en fait d'admissions pour décès, car la personne meurt en établissement très peu de temps après son admission.

Je ne préconise pas la disparition de tous les foyers de personnes âgées; je dis plutôt que le programme de soins au foyer a modifié la dynamique des soins aux personnes âgées et que nous devons tous souhaiter une diminution des coûts et de la souffrance humaine qu'implique une institutionnalisation hâtive ou fréquente.

Il me paraît donc illogique de soutenir que le programme de soins au foyer est un service pleinement développé et que nous pouvons le financer selon une certaine formule liée au produit national brut et à l'indice des prix à la consommation. Une formule liée à des indicateurs objectifs comme ceux-là ne favorisera très probablement pas le développement de ce programme. Toutefois, si on reconnaît de façon générale, par exemple, que les services de soins intensifs dans toute la province ont atteint un niveau optimum de développement, que leur élaboration a atteint un niveau raisonnable, les subventions conditionnelles globales liées à des formules économiques permettraient peut-être de maintenir les normes minimum de soins qui ont été atteintes ailleurs.

Toutefois, le partage des coûts est le seul mécanisme de transfert qui, en soi, est capable d'assurer avec certitude le respect des normes et la croissance nécessaire pour les services insuffisamment développés, car elle permet un développement ordonné à un rythme plus rapide que la croissance de l'économie. C'est également le seul véritable moyen d'assurer des niveaux de soutien du revenu suffisants dans les programmes d'aide publique, ce qui est un élément d'importance cruciale pour les municipalités.

En conséquence, le conseil de planification recommande que dans les domaines de politique sociale, le gouvernement fédéral ait recours seulement au financement global conditionnel ou au partage des coûts dans ses arrangements fiscaux avec les provinces. Plus précisément, nous recommandons de conserver le partage des coûts pour tous les services actuellement financés en vertu du Régime d'assistance du Canada et du Programme de réadaptation professionnelle des handicapés. En outre, monsieur le président, nous recommandons encore une fois, en espérant cette fois obtenir davantage de résultats, une révision des mesures législatives sur les services sociaux en accord avec la loi de 1978 sur les services sociaux, qui met l'accent sur les soins préventifs.



*[Texte]*

Finally, we believe the federal role simply must not become one for Treasury Board or Department of Finance economists only. It must be one where federal elected officials and staff skilled in social policy and human service planning advocate the continued effective orderly development of our human service system. We believe the interests of all Canadians, and in particular of our most vulnerable citizens and our poorer provinces, will not be served by further federal withdrawal from direct involvement in these issues.

Lastly, Mr. Chairman, I would like to address the question of the political pay-off for invisible federal funding. This is a very real issue, in that the failure to understand the role of the federal government in funding basic services is one of the symptoms of the problem we have with our confederation; with our federal system. The citizen must understand the effective roles of all three major levels of government if the citizen is to be a competent citizen. We think you have a role here.

Currently, the temptation seems to be to withdraw from invisible roles and to take up more visible ones and get the pay-offs that go with being more visible. We would like to suggest an alternative.

In the United States, there are many cost-shared programs where the federal government specifies very clearly the levels of advertising and the levels of information which must be available to all users of those services. Every time I go to the great City of Toronto and ride the subway, I see a sign in each subway car saying this transit system is funded or assisted by the Government of Ontario. Every time I ride a Go-Train, I see the same sign, and its "Go" is obviously not only "go fast", but "Government of Ontario". It seems to me governments can find ways to tell people effectively what their role is.

So we suggest you do that, too. If people are unaware of the federal role, tell them. Tell them at tax time. Tell them when they go in the door of a service. Tell them on the front of a building. Tell them whenever you can; not to advertise your presence, although that is one obvious political pay-off for you, but tell them so they better understand the federal system. We submit that this is a much better answer than to invite the service deterioration and Balkanization which further federal withdrawals are likely to cause.

We see the current review as a great opportunity for the beginning of this process. We are glad you are here. We are glad the federal government took the time and expense to have you people away further from your homes and families to travel across the country to hear Canadian groups and citizens who are concerned about this issue. That is a very good first step.

*[Traduction]*

Enfin, nous estimons que le rôle fédéral ne doit pas devenir la chasse gardée des économistes du Conseil du Trésor ou du ministère des Finances. Il faut que les représentants fédéraux élus et les experts en politique sociale et en planification des services à la personne continuent de préconiser un développement ordonné et efficace de notre système de services à la personne. Selon nous, les intérêts de tous les Canadiens, notamment ceux qui sont les plus vulnérables ou vivent dans les provinces les plus pauvres, seront mal servis si le gouvernement fédéral se refuse à toute participation directe dans ces domaines.

Pour finir, monsieur le président, je voudrais aborder la question des avantages politiques découlant d'un financement fédéral peu visible. Il s'agit d'un problème très réel, car cette incapacité de comprendre le rôle du gouvernement fédéral dans le financement de services fondamentaux est l'un des symptômes du mal dont souffre notre fédération. Les Canadiens doivent comprendre la participation réelle des trois niveaux d'administration publique pour jouer eux-mêmes leur rôle de citoyens. Selon nous, vous avez un rôle à jouer sur ce plan.

A l'heure actuelle, on semble tenter de se retirer de tous les rôles trop discrets pour en assumer d'autres qui sont plus évidents et comportent des avantages politiques plus importants. Il y aurait peut-être une autre voie.

Aux États-Unis, il y a de nombreux programmes à frais partagés dans lesquels le gouvernement fédéral précise on ne peut plus clairement les niveaux de publicité et d'information qui doivent être offerts aux utilisateurs de ces services. Chaque fois que je vais à Toronto et que je descends dans le métro, je vois dans chaque voiture un écriteau qui rappelle le rôle du gouvernement ontarien dans le financement du système de transport. Chaque fois que je monte à bord d'un train du système GO, je lis les mêmes indications; d'ailleurs le sigle GO est formé à partir des premières lettres de «Gouvernement de l'Ontario». Il me semble que les gouvernements peuvent trouver des moyens de dire aux citoyens quel rôle ils jouent.

Pourquoi ne feriez-vous pas la même chose? Si les citoyens ne se rendent pas compte du rôle du gouvernement fédéral, il faut le leur rappeler. Il faut le leur rappeler au moment où ils produisent leur déclaration d'impôt. Il faut le leur rappeler lorsqu'ils se présentent pour obtenir un service. Il faut l'indiquer à la façade des immeubles, il faut l'indiquer par tous les moyens; il faut le faire non pas pour faire connaître votre présence, bien que cela présente des avantages politiques évidents, mais pour mieux faire comprendre le régime fédéral. Selon nous, c'est là une solution bien supérieure à celle qui consisterait à favoriser la détérioration des services et la balkanisation qu'un retrait plus accentué du gouvernement fédéral entraînera très probablement.

L'examen actuel offre une excellente occasion d'entamer ce processus. Nous sommes heureux que vous soyez là. Nous sommes heureux que le gouvernement fédéral se soit donné la peine de vous envoyer loin de vos foyers et de vos familles, un peu partout au Canada pour recueillir l'opinion de groupes et de particuliers qui s'intéressent à la question. Il s'agit là d'une première initiative excellente.



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We would like, though, to see you convene regional conferences once the issues become clearer and some consensus begins to build. Why not do the same thing you did with the National Pension Conference, only do it regionally, so that more people can participate; because that educational process is one of the things that help the country to understand its nature as a country, and the issue of social policy is one that is very close to home for all of us. We would like you to address those questions regionally through that kind of a conference. How shall we be one nation, yet with adequate flexibility for regional differences? How do provinces retain the ability to take initiatives to meet human need, especially if they are relatively poor provinces? How can the federal government assure both equity and effectiveness through the services it funds, directly or indirectly?

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In any case, the current review should be seen for what it is, not an exercise in financial ledger keeping, but a review of program funding mechanisms which ultimately affect every Canadian now and in years to come. Thank you, Mr. Chairman.

**The Chairman:** Thank you very much, Mr. Sale. You have spoken about the limits to the growth in the social affairs envelope. While it is true that most federal transfers to provinces that are included in the Fiscal Arrangements Act come under the social affairs envelope, you realize that there are two distinct issues that impact one on the other; you could conceivably continue the same growth in the social affairs envelope of the federal government and still want to reduce the transfers to the provinces. You could make the choice that you want more unilateral federal initiatives in the social field and fewer federal-provincial initiatives, or provincial initiatives financed partly by the federal government.

If you had that choice, as a social planning council and obviously as a person well versed in this field, would you prefer more federal initiatives in the future in the social security system, the whole apparatus of which medicare and hospitalization is only part or more provincial initiatives?

**Mr. Sale:** Well, Mr. Chairman, first of all, you cannot generalize. The federal government has traditionally handled the income transfer programs where direct income has been transferred to individuals and that seems to be a very effective and efficient mechanism, using the taxation system. I do not think the overhead costs are terribly high and I think they are fairly well understood. If you are talking about social spending where it is income that is being disbursed by the federal government then more initiatives in that area may be appropriate. I think the single greatest achievement in the 1970s in the Canadian social welfare system was the child tax credit program, and the mechanism that it was funded by was a very innovative mechanism in terms of Canadian social policy. So

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Par ailleurs, nous souhaiterions que vous convoquiez des conférences régionales lorsque les questions deviendront un peu plus claires et qu'un certain consensus commencera à se dégager. Pourquoi ne pas procéder de la même façon que pour la Conférence nationale sur les pensions, mais à l'échelon régional, pour favoriser une participation plus nombreuse; en effet, il s'agit là d'un processus formateur qui aide notre pays à se comprendre comme pays et la question de la politique sociale nous touche tous de très près. Nous voudrions que vous traitiez de ces questions au niveau régional en convoquant des conférences. Comment pouvons-nous constituer une seule nation tout en conservant la souplesse nécessaire pour laisser place aux différences régionales? Comment les provinces peuvent-elles conserver la possibilité de prendre des initiatives pour répondre aux besoins de la personne, surtout dans le cas des provinces relativement pauvres? Comment le gouvernement fédéral peut-il assurer à la fois l'équité et l'efficacité dans les services qu'il finance, directement ou indirectement?

De toute façon, le réexamen actuel doit être considéré pour ce qu'il est, c'est-à-dire non pas un examen de la comptabilité mais une étude des mécanismes de financement des programmes, et ce sont tous les Canadiens qui, aujourd'hui et demain, en subiront les effets. Monsieur le président, je vous remercie.

**Le président:** Merci beaucoup, monsieur Sale. Vous avez parlé de limiter l'augmentation des dépenses de l'enveloppe sociale. Il est vrai que l'essentiel des transferts fédéraux aux provinces qui sont prévus par la loi sur les arrangements fiscaux se rattachent à l'enveloppe des affaires sociales, mais il faut reconnaître qu'il y a là deux questions distinctes qui ne sont pas sans lien entre elles; il n'est pas inconcevable de maintenir la croissance des dépenses sociales du gouvernement fédéral tout en réduisant les transferts aux provinces. On pourrait opter pour des initiatives fédérales unilatérales plus nombreuses dans le domaine social accompagnées d'une diminution des initiatives fédérales-provinciales ou des initiatives provinciales partiellement financées par le gouvernement fédéral.

Si on vous donnait le choix, en tant que membre d'un conseil de planification sociale et qu'expert de la question, préféreriez-vous à l'avenir de plus nombreuses initiatives fédérales dans le régime de sécurité sociale, dont l'assurance-maladie et l'assurance-hospitalisation ne constituent qu'une partie, ou bien des initiatives provinciales plus nombreuses?

**M. Sale:** Monsieur le président, disons tout d'abord qu'il est difficile de généraliser. Par le passé, le gouvernement fédéral s'est occupé des programmes de transfert dans lesquels les revenus sont directement transférés aux particuliers au moyen du régime fiscal, et ce semble être un mécanisme extrêmement efficace. Je n'ai pas l'impression que les frais généraux soient très élevés et les programmes semblent assez faciles à comprendre. Si vous voulez parler des dépenses sociales impliquant des déboursés par le gouvernement fédéral, il est possible que des initiatives plus nombreuses dans ce domaine soient de mise. Il me semble que la grande réalisation des années 70 dans le régime de bien-être social du Canada a été le programme de crédit d'impôt pour les enfants financé par un

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in that area I would agree that more federal initiatives, if that is the decision, are appropriate.

The human service system is already incredibly complex and in the main, from a social service point of view, not well co-ordinated. Health care services are better co-ordinated, social services in the main are poorly co-ordinated. To add any direct federal initiatives in those areas would simply further confuse an already immature and confused field and, although our council has no position on this, I would think we would oppose any direct federal entry into the provision of services to individuals of a social service nature and would encourage the continuation of co-operative relationships with the provinces who have the appropriate co-ordinating power and I think the appropriate level of presence to do that co-ordination effectively.

I am not sure that I got both hands on your question.

**The Chairman:** Well you did in a way but you realize that the federal government has the power constitutionally to continue taking initiatives in the social field but its capacity will be very limited unless someone deals with the question of fiscal imbalance in the country. Unless the social affairs envelope has unlimited growth and is never checked, it seems to me that politicians at one point in this country will have to make a choice between helping individuals cope with the normal charges that they have in their lives and maybe concentrate the fiscal resources there, so that, for those programs that have now been established and are under the authority of the provinces, the provinces in some way will have to get the taxes or the revenues needed to provide for the increased costs in the future. The federal government's position fiscally means now that there will be less room for important federal initiatives like the child tax credit, and hopefully sometime a more elaborate negative income tax system. So it is in that sense that I would like to know if you have a preference as to where you think the priorities are likely to be in the future of this country, because I really doubt that you are going to be able to have both.

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**Mr. Sale:** Mr. Chairman, my preference would be for the maintenance of the current social service and health service funding mechanisms. In terms of putting more income into individual's pockets, currently that would take a second place in my view. But I do not think I have to choose, because I believe you have put a false dilemma. I think the issue is not that one or the other must be done; it is that the fiscal imbalance must be addressed. It must be addressed without penalizing one particular segment of society which happens to be less able perhaps to defend itself. I simply do not understand how you can say that provinces could maintain human services, given the regional disparities and relative poverty of some provinces compared to others, and still have a system across Canada. We have 10 or 12 systems across Canada.

[Traduction]

mécanisme extrêmement original dans le contexte de la politique sociale canadienne. Je serais donc d'accord pour dire que dans ce domaine des initiatives fédérales plus nombreuses seraient bienvenues, si une décision en ce sens était prise.

Le système des services à la personne est déjà extrêmement complexe et, du point de vue du service social, mal coordonné. La coordination est assez bonne dans le domaine de la santé, mais ce n'est pas le cas, dans l'ensemble, dans le domaine social. Toute nouvelle initiative fédérale directe dans ces domaines ajouterait simplement à une confusion déjà grande et, bien que notre conseil n'ait pas pris position là-dessus, je crois qu'il s'opposerait à toute intervention fédérale directe dans la prestation de services de nature sociale aux individus; il encouragerait le maintien des liens de collaboration avec les provinces qui ont les mécanismes voulus de coordination et le degré de présence souhaité pour assurer efficacement cette coordination.

Je ne suis pas sûr d'avoir très bien répondu à votre question.

**Le président:** En un sens, oui, mais il vous faut reconnaître que le gouvernement fédéral a le pouvoir, aux termes de la constitution, de prendre d'autres initiatives dans le domaine social, mais sa capacité de le faire sera très limitée à moins qu'on ne s'attaque au déséquilibre financier au Canada. A moins qu'on ne laisse les dépenses sociales augmenter sans restriction aucune, il me semble que les hommes politiques devront à un moment donné choisir entre aider les particuliers à assumer les frais normaux de leur existence et peut-être concentrer les ressources financières de ce côté, de façon que pour les programmes déjà établis et relevant des provinces, celles-ci puissent percevoir les impôts ou les recettes nécessaires pour absorber les augmentations de dépenses à venir. La situation financière du gouvernement fédéral est telle qu'il sera désormais plus difficile de prendre des initiatives importantes comme le crédit d'impôt pour enfants, mais on espère, qu'à un moment donné, il sera possible d'adopter un régime d'impôt négatif sur le revenu plus développé. Voilà donc pourquoi je veux savoir si vous avez des préférences quant aux priorités à adopter au Canada à l'avenir, car je doute vraiment qu'il soit possible d'agir sur les deux plans.

**M. Sale:** Monsieur le président, je préférerais personnellement le maintien des mécanismes actuels en matière de services sociaux et de services de santé. Pour l'instant, le soutien du revenu doit venir au deuxième rang. Je ne crois pas que ce soit un choix auquel on puisse échapper, car le problème que vous avez posé est un faux dilemme. La question n'est pas de savoir s'il faut agir sur un plan ou sur l'autre mais de régler le déséquilibre financier. Il faut y parvenir sans pénaliser certains éléments de notre société qui sont les moins à même de se défendre. Je ne comprends tout simplement pas comment vous pouvez soutenir que les provinces peuvent assurer les services à la personne, étant donné les disparités régionales et la pauvreté de certaines provinces par rapport aux autres, et prétendre pouvoir appliquer un régime unique dans tout le Canada. Pour l'heure, nous avons une dizaine ou une douzaine de régimes dans tout le pays.



[Text]

**The Chairman:** You could improve the equalization program to do that. Nobody is talking about withdrawing from those programs at the federal level. We are talking about limiting the growth. We are talking in terms of reducing the transfers' growth such as from \$500 million next year and \$1 billion a year in subsequent years from a total cash contribution of some \$13 billion, and tax points of about \$4 billion. So nobody is talking of radical departure. We are talking shifting the burden really. That is what we are talking about. I am not sure one can say that it will necessarily lead to a reduction of service. There is that risk, of course. But you know as well as I do probably, that the federal contribution for these programs has increased as a percentage since 1976, and the provincial governments have not had to contribute as high a percentage as they used to. That may change in the future because of economic circumstances, but surely more federal contributions in the last 5 years has not led to the provincial governments putting in more money. So I think one has to address the political question of: Are we assured in the social sense of having better social services in the long run by going the federal-provincial route in terms of fiscal capacity, or should we go directly for federal initiatives? In the social senses.

**Mr. Sale:** Mr. Chairman, I have answered that. My preference is for federal-provincial fiscal arrangements that assure the maintenance and development of those services that are in place, and the fuller development of the immature services. I simply have no other answer than that. That is the direction.

**The Chairman:** It is not clear in your brief. I listened to you carefully and I tried to find out exactly where you stand on the issue of block funding and conditions, and how you relate this to national standards in the country. Could you elaborate on that briefly?

**Mr. Sale:** We have pointed out that there are many mechanisms, but we have broken them down into three groups. One is unconditional block funding, which is the simple transfer payment, that says here \$50 and spend it as you will. Another is the agreement that says that we will give you conditional block grants on the understanding that these grants will be expended in a certain area, whatever that area is, and that the expenditures will be either matched on a formula basis or they will be tied by formula to economic indicators. Of those two, I would prefer the second one. The third one we indicated is cost-sharing which is what VRDP and CAP currently are. That is where we made the distinction between mature and immature services. For immature services, block funding is not an appropriate mechanism; cost-sharing is.

[Translation]

**Le président:** Pour y arriver, on pourrait améliorer le programme de péréquation. Personne ne parle d'un retrait du gouvernement fédéral de ces programmes. Il est question d'en limiter la croissance. Il s'agirait simplement de réduire l'augmentation des transferts comme, mettons, de 500 millions l'année prochaine et de 1 milliard par année au cours des années suivantes, sur des contributions totales de quelque 13 milliards et environ 4 milliards de points fiscaux. Il ne s'agit donc absolument pas de changements radicaux. Il s'agit en fait de répartir la charge financière. Voilà de quoi il s'agit. Je ne crois pas qu'on puisse dire qu'il y aura nécessairement une diminution des services, même si c'est un risque réel. Mais vous savez probablement tout aussi bien que moi que les contributions fédérales à ces programmes ont augmenté de façon procentuelle depuis 1976 et que les gouvernements provinciaux n'ont pas eu à verser un pourcentage aussi élevé que par le passé. Cela pourrait changer à l'avenir en raison de la conjoncture, mais l'augmentation des contributions fédérales au cours des cinq dernières années n'a certes pas amené les gouvernements provinciaux à augmenter leur propre participation. A mon sens, la question qu'il faut résoudre est d'ordre politique: sommes-nous certains que la meilleure façon d'assurer de bons services sociaux, à long terme, est un partage des charges financières du gouvernement fédéral et des provinces ou faudrait-il préférer une intervention fédérale directe? Tout cela sur le plan social, bien sûr.

**M. Sale:** Monsieur le président, j'ai déjà répondu à cette question. Je préfère les accords fiscaux entre le fédéral et les provinces qui permettent de conserver et de développer les services déjà en place et de perfectionner les services insuffisamment développés. Je n'ai d'autre réponse que celle-là, c'est de cette façon qu'il faut s'orienter.

**Le président:** Justement, ce n'est pas clair dans votre mémoire. Je vous ai écouté attentivement et j'ai essayé de trouver exactement quelle était votre position en ce qui concerne le financement global et ses conditions et les relations que vous établissez avec les normes nationales. Pourriez-vous expliciter un peu plus votre pensée?

**M. Sale:** Nous avons souligné qu'il y avait de nombreux mécanismes, mais nous les avons classés en trois groupes. Le premier est celui du financement global inconditionnel qui consiste en un simple paiement de transfert que la province dépense comme bon lui semble. Une autre formule consiste à accorder des subventions globales conditionnelles qui doivent être affectées dans un certain secteur quel qu'il soit; une somme équivalente est versée par la province selon la formule retenue ou bien les dépenses sont liées à certains indicateurs économiques. De ces deux mécanismes, je préfère le second. Quand au troisième que nous avons indiqué, il s'agit du partage des frais actuellement utilisé pour le Régime d'assistance du Canada et le programme de réadaptation professionnelle des handicapés. C'est justement là que nous faisons une distinction entre les services développés et ceux qui le sont moins. Dans ce dernier cas, le financement global n'est pas un mécanisme acceptable; il faut préférer le partage des frais.



[Texte]

**The Chairman:** So for CAP you say that you want to remain with cost-sharing?

**Mr. Sale:** Right.

**The Chairman:** But with health, hospitalization, and post-secondary education, you want earmarking without any detailed conditions?

**Mr. Sale:** Yes. I think we would need to explore how you could have conditional block funding that is tied to economic formulas. Both partners would have to agree in effect to keep their end up. I am not here to defend the provincial government's failure to contribute what I would consider an adequate amount to health care in this province. But I am here to say to the federal government, do not then repeat their mistakes.

• 1030

**The Chairman:** To simplify it, then, just to make sure I understand you correctly, you would want the block to be earmarked, say in a certain envelope, while the provincial government may be free—it will have some flexibility in modification of the delivery of the services, modification of the systems and the way they go about financing their hospitals or paying their doctors or that sort of thing. But at least the money has to be spent in that field, so if you change somewhere where you save money, you would have to develop another service; say in health delivery, you may have more community clinics or more paramedical services in the communities.

**Mr. Sale:** That kind of approach, Mr. Chairman—but also where the federal government and the provincial government would continue to discuss the issues of desirable standards, desirable applications of new technology, desirable availability of things like CAT scanners, which do not have to be in every acute care hospital, so there is some federal role involved there in saying what across the country appears to be the optimal shape. Right now there is no mechanism for that which I am aware of, except through the voluntary associations.

**The Chairman:** Okay, thank you.

**Mr. Blenkarn.**

**Mr. Blenkarn:** Yes. I just wanted to carry on with that for a moment. Your preference, from what I gather, is that EPF with medical care and hospital systems is working reasonably well. You might want a more “menu” approach, more controlled approach by the federal government on what the province does with its EPF medical transfers, but essentially you think it should be a block-funding arrangement of some kind.

**Mr. Sale:** A conditional block-funding arrangement in that one I think makes sense, Mr. Blenkarn, yes.

**Mr. Blenkarn:** And on the CAP end of things you think it should continue on a cost-sharing basis?

**Mr. Sale:** Yes, because many of those services are immature and they need to develop to save money in other areas. If

[Traduction]

**Le président:** Vous dites donc que vous voulez conserver le partage des frais en ce qui concerne le Régime d'assistance du Canada?

**M. Sale:** C'est exact.

**Le président:** Pour ce qui est de la santé, de l'hospitalisation et de l'enseignement postsecondaire, vous voulez que les sommes soient affectées sans aucune condition détaillée?

**M. Sale:** Oui. A mon avis, il faudrait étudier les possibilités d'adopter un financement global conditionnel qui soit lié à des formules économiques. Les deux parties devraient en fait accepter de continuer de faire leur part. Je ne suis pas là pour défendre le gouvernement provincial qui n'a pas versé ce que je considérerais comme sa juste part pour les soins de santé. Je suis là pour dire au gouvernement fédéral de ne pas recommencer les mêmes erreurs.

**Le président:** Essayons de simplifier pour être sûr que je vous comprends bien. Vous voulez que le financement soit affecté à une certaine enveloppe, mais que le gouvernement provincial ait toute latitude pour modifier les modalités de ces services, l'ensemble de ces régimes, les dispositions du financement hospitalier ou la rémunération des médecins, etc.. En tout cas, tous les crédits seraient affectés dans les domaines prévus et si des modifications permettaient des économies, il faudrait offrir des services supplémentaires; ainsi, dans le domaine de la santé, on pourrait prévoir de plus nombreuses cliniques de quartier ou certains services paramédicaux dans les diverses localités.

**M. Sale:** C'est bien cela, monsieur le président, mais ce n'est pas tout: le gouvernement fédéral et la province continueraient de discuter des normes à appliquer, de l'utilisation des technologies nouvelles, de la fourniture de matériel comme les tomodescriptomètres, dont on n'a pas nécessairement besoin dans tous les hôpitaux de soins intensifs, de façon que le gouvernement fédéral ait au moins son mot à dire sur ce qui semble être la formule optimale dans tout le pays. A l'heure actuelle, il n'y a aucun mécanisme que je connaisse qui permette de le faire, si ce n'est les associations bénévoles.

**Le président:** D'accord, je vous remercie.

Monsieur Blenkarn.

**M. Blenkarn:** J'ai d'autres questions à poser dans le même ordre d'idées. Je crois comprendre que selon vous, le système de paiement de péréquation fonctionne plutôt bien pour l'assurance-maladie et l'assurance-hospitalisation. Vous souhaiteriez peut-être une approche plus détaillée, un plus grand contrôle fédéral sur l'utilisation que fait la province des sommes qui lui sont accordées pour les soins médicaux, mais essentiellement, il faudrait qu'on en reste à une certaine formule de financement global.

**M. Sale:** Dans ce domaine, j'ai effectivement l'impression qu'un financement global conditionnel est la solution logique.

**M. Blenkarn:** Pour ce qui est du régime d'assistance publique, vous estimez qu'il faudrait conserver le partage des frais?

**M. Sale:** Oui, parce que bon nombre de ces services ne sont pas pleinement développés et qu'il faut les perfectionner si l'on

[Text]

they are held to a very slow rate of development, particularly services that prevent institutionalization, we will pay very high costs in our mature service systems, our acute care systems, because we fail to spend small dollars in the preventive or home care systems.

**Mr. Blenkarn:** One of the problems we have heard from others on CAP is the controls—that the money may only be spent for those in need or likely to be in need. What is your position on those rather strict controls on CAP?

**Mr. Sale:** I think in our brief we recommended a review of the acts consistent with the 1977 draft act, which had a very strong emphasis on preventive services. We see that particularly for prenatal services across the country. There is much evidence that countries like Finland, for example, and France, have reduced their perinatal death rates down well below 10 per 1000—or neonatal death rates, depending on what definition you use—whereas Canada is still running in the 12 to 14 per 1000. For each one of those deaths there are children who survive and who are severely handicapped, multiply handicapped, and so on down the pyramid to minor handicaps. If we expanded our public health system, particularly for pre—and post-natal care, we think there would be a very, very large pay-off in long-term acute care for such disabled persons.

Similarly in the home care field: if you help people to stay at home longer, then they do not incur those costs, and they are also much more humanely cared for. So we think it is very important to expand those preventive services and softer services to reduce the demand for the harder, mature services.

**Mr. Blenkarn:** One of the problems, though, is that the question of need comes in with CAP. You talk home care, for example, if someone is clearly not financially in need—because it is financial need which is the criterion in CAP—but he would certainly be better off with home care: Meals on Wheels, people coming in and visiting, Homemakers, and so on. How do you provide that under the present CAP arrangement?

**Mr. Sale:** I think you should ask the province that question this afternoon. My understanding is they administer a relatively simple income test for some programs such as Meals on Wheels, but that other home care programs are not as tightly income tested. In other words, there has been a growing flexibility about that question. If you need a nurse in twice a week for dressing of one kind or another, that is deemed to be more of a medical service and therefore it is not to be income tested, because it is more related to medicare. I do not know

[Translation]

veut réaliser des économies dans d'autres secteurs. S'ils continuent de se développer très lentement, notamment en ce qui concerne les services qui permettent d'éviter l'institutionnalisation, il nous faudra affecter des sommes considérables à nos services qui sont pleinement développés, les systèmes de soins intensifs par exemple, parce que nous aurons fait de petites économies dans le domaine de la prévention ou des soins au foyer.

**M. Blenkarn:** D'après certains autres témoins, l'un des problèmes que pose le Régime d'assistance publique réside dans les contrôles qui sont appliqués; l'argent ne peut être dépensé que pour les personnes qui sont ou risquent d'être dans le besoin. Que pensez-vous des contrôles rigoureux exercés sur ce programme?

**M. Sale:** Dans notre mémoire, nous avons recommandé un réexamen des lois qui s'inspirerait du projet de 1977, lequel mettait fortement l'accent sur la prévention. Cela est particulièrement vrai des services prénataux dans tout le Canada. La preuve est faite, dans des pays comme la Finlande et la France, les taux de décès périnataux sont bien inférieurs à 10 sur 1000—on peut également parler des taux de décès néonataux, selon la définition utilisée—alors qu'au Canada, nous en sommes encore à 12 à 14 sur 1000 enfants. Et pour chacun de ces décès, il y a des enfants qui survivent mais avec des handicaps graves ou multiples, sans parler de la multitude des autres handicaps mineurs. Si nous donnions plus d'ampleur à notre système d'hygiène publique, notamment dans les soins prénataux et postnataux, nous en retirerions des avantages très considérables sur le plan des soins intensifs à long terme qu'il faut accorder à ces invalides.

Il en va de même pour les soins au foyer: si vous aidez les gens à rester chez eux plus longtemps, les coûts sont inférieurs et les soins sont assurés d'une façon beaucoup plus humaine. Il nous semble donc crucial d'améliorer nos services de prévention et tout ce qui n'est pas soins intensifs pour réduire la demande de services plus coûteux même si les systèmes sont parfaitement établis.

**M. Blenkarn:** L'un des problèmes, cependant, c'est ce critère de nécessité qui s'applique au Régime d'assistance publique du Canada. Par exemple, vous avez parlé des soins au foyer; s'il n'est pas évident qu'une personne est financièrement dans le besoin—et c'est là le critère pour le régime d'assistance publique—comment faire? Il est sûr que les soins au foyer seraient préférables: le programme Meals on Wheels, les visites au foyer, l'aide pour les tâches ménagères, etc.. Comment est-il possible de fournir ces services dans le cadre actuel du Régime d'assistance publique?

**M. Sale:** C'est une question que vous devriez poser aux représentants de la province cet après-midi. Je crois qu'on vérifie sommairement les revenus pour ce qui est de certains programmes comme le Meals on Wheels, mais que le contrôle est beaucoup plus strict pour certains autres programmes de soins au foyer. Autrement dit, on fait preuve d'une souplesse de plus en plus grande dans ce domaine. S'il vous faut une infirmière deux fois par semaine pour des soins quelconques, cela est considéré davantage comme un service médical et il



[Texte]

the mechanics of that, Mr. Blenkarn, and I would suggest you ask the province that this afternoon.

• 1035

**Mr. Blenkarn:** You understand the concern we have is that CAP does require a needs test of some kind.

**Mr. Sale:** Yes.

**Mr. Blenkarn:** If the person cannot pass the needs test, then presumably the province must pick up the entire tab; it cannot cost-share it.

**Mr. Sale:** Mr. Chairman, what I was saying was that we prefer a cost-sharing arrangement to be maintained for services funded under CAP. But I also said we would also prefer that that piece of legislation be reviewed, consistent with the 1977 approach, which defined social services differently from the way CAP does; defined the question of need and prevention quite differently and much more, I think, developmentally than CAP does; expanded it, in other words.

**The Vice-Chairman:** Mr. Herbert.

**Mr. Herbert:** Thank you, Mr. Chairman.

Mr. Sale, I have listened with interest to your brief and I feel I can maybe probe a little further into some alternatives which may be facing this committee. I certainly support your ideas that the federal government should not involve itself in services.

I want to separate health from welfare, because you have obviously separated these two in the sense that you approve conditional block-funding on the health side and cost-sharing on the welfare side. You talked of home care for the elderly and you support federal transfers to individuals. I suggest to you—and this has been my own personal experience—that on the part of the elderly, a lot of their financial independence has resulted from these federal transfers to individuals. Obviously the federal government, by increasing transfers to individuals, is going to be able to ease the load at the welfare level, particularly among the elderly, and that is one means by which the federal government, without agreement, can assist persons in need.

You have talked of the services funded under CAP, and just a moment or two ago you were talking about the inadequacy of the listing. We have noted, as we go across the different provinces, there is a fear that if the federal government appears to be withdrawing funding, there is going to be some reduction in service. Yet in every representation there is the implication that it is the province that decides, in the final analysis, and not the federal government, what shall be funded and what shall not be funded.

We notice a considerable imbalance in spending between provinces. To take the two largest provinces, we find that Ontario, with a deficit this year of a couple hundred million

[Traduction]

n'y a pas de vérification des ressources financières car, justement, cela s'apparente aux services médicaux. J'ignore quelles dispositions on applique, monsieur le député, c'est pourquoi je vous propose plutôt de le demander aux représentants de la province cet après-midi.

**M. Blenkarn:** Vous comprenez certainement que ce qui nous préoccupe, c'est le Régime d'assistance publique exige une vérification des ressources financières.

**M. Sale:** Bien sûr.

**M. Blenkarn:** Lorsque cette vérification conclut à l'inadmissibilité, je présume que la province doit assumer l'intégralité des frais; il ne peut y avoir partage.

**M. Sale:** Monsieur le président, j'ai dit tout à l'heure que nous étions en faveur du maintien des dispositions de partage des frais pour les services financés par le Régime d'assistance publique du Canada. Cependant, j'ai dit également que nous préférons une révision de cette mesure législative s'inspirant du projet de 1977 qui donnait des services sociaux une définition différente de celle qu'utilise le Régime d'assistance publique du Canada; en outre, les besoins et la prévention sont présentés très différemment en mettant beaucoup plus l'accent sur le développement que ne le fait le Régime d'assistance publique; autrement dit, on prévoit un certain élargissement.

**Le vice-président:** Monsieur Herbert.

**M. Herbert:** Merci, monsieur le président.

Monsieur Sale, j'ai écouté avec beaucoup d'intérêt votre exposé, et je voudrais explorer un peu plus à fond certaines possibilités que le Comité voudrait envisager. Je suis certainement d'accord avec vous pour reconnaître que le gouvernement fédéral ne doit pas s'occuper directement des services.

Je tiens à faire une distinction entre la santé et le bien-être, car vous-même avez fait cette distinction en approuvant le financement global conditionnel pour le domaine de la santé et le partage des frais pour l'aide sociale. Vous avez parlé des soins au foyer pour les personnes âgées et vous êtes en faveur de transferts fédéraux accordés directement aux particuliers. D'après mon expérience personnelle, une bonne part de l'indépendance financière des personnes âgées est due à ces transferts fédéraux. De toute évidence, le gouvernement fédéral, pourra, en augmentant les sommes versées aux particuliers, alléger le fardeau des programmes sociaux, notamment pour les personnes âgées; c'est là un moyen dont il dispose pour venir en aide aux nécessiteux sans avoir à conclure d'accord.

Vous avez parlé également des services financés grâce au Régime d'assistance publique et vous avez soulevé à l'instant la question des listes qui sont insuffisantes. Nous avons noté, passant d'une province à l'autre, que l'on redoute une certaine réduction des services si le gouvernement fédéral semblait se retirer du financement. Pourtant, dans tous les mémoires, on semble supposer qu'il appartient en dernière analyse à la province et non au gouvernement fédéral de décider des services à financer.

Nous relevons également de grandes différences dans les dépenses des diverses provinces. Prenons par exemple les deux plus grandes provinces: en Ontario, le déficit budgétaire sera



*[Text]*

dollars in its budget, only spends half as much on CAP programs shared with the federal government as does the Province of Quebec, which has a \$3 billion deficit in its budget this year. There was a fear expressed in Newfoundland, and I believe probably also in P.E.I., that the problem with the CAP program is the ability of the province to pick up the other half.

If we put aside the ability of a province to pay for the service, and if we deal with that via the sharing program in some form; if we provide to the have-not provinces the moneys they need to provide services, and if we allow that the provinces themselves are making the decisions, then is there any need for the federal government to involve itself at all in sharing on CAP and VRDP? Would it not make sense for the federal government to involve itself in providing funds to the provinces that have need of funds to provide the services and to leave entirely the decision—as it is at the present time—and therefore the raising of the revenues, to the provinces?

• 1040

I say that in all sincerity, because yesterday a comment was made right in this room that the nine provinces acted because of what Quebec had done. I suggest maybe it is now time to turn it around the other way. When the federal government wanted to transfer a small sum of money, \$100, from the federal to the provincial pocket a year or two ago, the only province in which it caused difficulty was the Province of Quebec, because Quebec collects its own personal income tax. The average individual in this country did not even know that. I wonder if it makes any difference any more if we make an effort right now, via transfer of tax points, to turn over completely the funding of social services to the provinces, since they make the decision on the spending. Leave it entirely up to them to raise their revenues, take it entirely out of the federal government's hands, and leave to the federal government only the need to supply to the have-not provinces the make-up dollars to make it possible for them to look after their social services.

Would you like to respond?

**Mr. Sale:** Let me tell you a short story. My father-in-law was in a nursing home in Ontario for about five years after he had a stroke. His wife was not terribly well, so we moved her to Manitoba, to an apartment near my wife's sister and us. We wanted to move my father-in-law to Manitoba too. We could not, because Extend-a-Care is not portable between provinces. He would have had to have been cared for by us at home, which we could not do, or we would have had to pay approximately \$22,000 a year for Level IV care for two years while he became eligible for Manitoba's care.

I think the anecdote tells you I do not approve of your proposal, because I think it is already clear that different provinces at different times have very different priorities in

*[Translation]*

cette année de quelque centaines de millions de dollars, mais les dépenses consacrées aux programmes du Régime d'assistance publique partagées avec le gouvernement fédéral ne sont que de la moitié de celles du Québec, où le déficit budgétaire sera de 3 milliards cette année. A Terre-Neuve et probablement aussi à l'Île-du-Prince-Édouard, on craint que la province ne puisse absorber la moitié du coût des programmes du Régime d'assistance publique.

Si on laisse de côté la question de la capacité de la province de payer ces services et qu'on aborde la question sous l'angle d'un programme de partage de quelque nature, si on fournit aux provinces démunies l'argent qu'il leur faut pour assurer les services tout en les laissant prendre les décisions, est-il nécessaire que le gouvernement fédéral participe de quelque façon au partage des frais du Régime d'assistance publique et du programme de réadaptation professionnelle des invalides? Ne serait-il pas plus sensé que le gouvernement fédéral fournisse des fonds aux provinces qui en ont besoin pour assurer les services en leur laissant le pouvoir de décision comme à l'heure actuelle mais en leur laissant également le pouvoir de percevoir des recettes?

Je parle en toute sincérité, car hier, il a été souligné ici même que les neuf provinces avaient agi comme elles l'ont fait à cause des initiatives du Québec. A mon avis, il est peut-être temps de procéder à l'inverse. Lorsque le gouvernement fédéral voulait transférer une petite somme, mettons \$100, du niveau fédéral au niveau provincial il y a un an ou deux, la seule province où il y avait des difficultés était le Québec, car cette province perçoit elle-même son impôt sur le revenu des particuliers. Le Canadien moyen n'est même pas au courant de cela. D'ailleurs, je ne suis pas sûr que cela importe toujours, si nous nous efforçons, au moyen de transferts de points fiscaux, de remettre complètement le financement des services sociaux aux provinces, puisque ce sont elles qui prennent les décisions en matière de dépenses. On pourrait également leur laisser le soin de percevoir les revenus, tandis que le gouvernement fédéral se retirerait complètement se contentant de donner de l'argent aux provinces démunies pour les aider à assurer leurs services sociaux.

Auriez-vous des commentaires là-dessus?

**M. Sale:** Laissez-moi vous raconter une anecdote. Mon beau-père a passé cinq ans dans une maison de repos en Ontario après avoir eu une crise. Sa femme n'était pas très bien non plus, de sorte que nous l'avons installée dans un appartement près de nous et de ma belle-sœur, au Manitoba. Nous voulions remener mon beau-père au Manitoba également, mais cela était impossible parce que le programme Extend-a-Care ne s'applique pas dans toutes les provinces. Il aurait fallu que nous nous en occupions nous-mêmes à la maison, ce que nous ne pouvions faire, ou bien il nous aurait fallu payer environ \$22,000 par année pour des soins de niveau IV pendant deux ans, le temps qu'il ait droit aux soins accordés au Manitoba.

Vous pouvez en déduire que je n'approuve pas votre proposition, car il est déjà très clair que les différentes provinces ont selon les moments des priorités extrêmement différentes en

*[Texte]*

human services. I see no way in which we can say to our elderly citizens or any of our disabled citizens or our poorer citizens that they are better cared for in Manitoba than in New Brunswick and therefore they should all move here. It seems to me to do that is to invite total Balkanization of our country in those very basic social equity issues. I simply cannot see the federal government saying, gosh, we have made it possible for these provinces to have these services, and they are just not providing them; that is really too bad. I think your role is bigger than that, and I think our country is bigger than that. I just cannot conceive of defending that approach to my family when, for a program that is now cost shared, portability has not been established.

The issue I think is that the federal role, the continued conferences of deputies and ministers, the continued involvement of the federal government through demonstration grants, through research money, has been a kind of leaven and incentive to develop relatively even patterns of service eventually across the country. It takes a long time, but I would submit to you that without that federal role, there is very little incentive for provinces to develop similar or equitable standards of service, simply because there is no mechanism for them to talk to each other effectively and there are no carrots at all.

**Mr. Herbert:** Mr. Sale, I agree with the sentiments you express. I would love to see absolutely standard national service from coast to coast. But in the same breath, you said that does not exist today; and you pointed to the personal example. Now, I suggested, in questioning a former witness, that obviously there is another way of resolving that particular problem. It might be by some form of national insurance; the federal government could provide that sort of access, portability, if you like, to ensure that, in the particular case you mentioned, the service in another province was available. And I would like to see that. But I suggest to you that in general terms, there is probably less movement at that level of required social service.

It is true in the United States—and I have been looking at this—there has been some movement, some discernible movement, to pick up better unemployment insurance in one state than in another state. I was just looking yesterday at the very low unemployment in Massachusetts and was wondering to what extent it was due to the lower level of payment of unemployment insurance; however, I say to you sincerely, if we do not have the accessibility or the probability in the program, and I am trying to be a realist, I doubt that we can impose that on the provinces without having some method of transferring costs as we have with the health scheme at the present time. If the right to decide about what is to be funded, and to what level, is to remain with the provinces—and no one has so far suggested to the contrary—then should not the province raise entirely the revenue to do just exactly that which it intends to do? Leaving aside again the problem of the have-not prov-

*[Traduction]*

matière de services à la personne. Je ne vois pas comment nous pourrions dire à nos personnes âgées ou à nos handicapés ou encore aux démunis que les soins sont meilleurs au Manitoba qu'au Nouveau-Brunswick et qu'ils devraient en conséquence y déménager. Cela reviendrait à favoriser le morcellement de notre pays du point de vue de ces questions fondamentales de justice sociale. Je ne vois pas comment le gouvernement fédéral pourrait dire que c'est lui qui a rendu ces services possibles pour ces provinces alors que celles-ci ne fournissent pas les services; c'est dommage. Votre rôle me semble plus large que cela et notre pays transcende ces considérations. Il m'est absolument inconcevable de soutenir ce genre de proposition auprès de ma famille alors que pour un programme faisant actuellement l'objet d'un partage des frais, on n'a pas réussi à assurer la transférabilité.

Au fond, le rôle fédéral, les conférences continues de sous-ministres et de ministres, la constante participation du gouvernement fédéral sous forme de subventions aux projets pilotes, de fonds de recherche, a été une sorte de ferment, une incitation à élaborer des services qui finiraient par s'équivaloir partout au Canada. Il faut beaucoup de temps, mais à mon avis, si le gouvernement fédéral ne joue aucun rôle, il n'y a pas grand-chose qui incite les provinces à élaborer des normes semblables ou équitables de services, tout simplement parce qu'il n'y a aucun mécanisme leur permettant de communiquer efficacement et aucune bonne raison qui les pousse à le faire.

**M. Herbert:** Monsieur Sale, je comprends votre point de vue. Je souhaiterais moi aussi l'application de normes nationales de services dans toutes les régions canadiennes. Cependant, vous dites également que cela n'existe pas aujourd'hui et vous avez donné un exemple personnel. Ce que j'ai soutenu en questionnant un autre témoin, c'est qu'il y a certainement une autre façon de résoudre ce problème. On pourrait concevoir une certaine forme d'assurance nationale, le gouvernement fédéral pourrait assurer l'accessibilité, la transférabilité, si vous préférez, pour faire en sorte que, dans l'exemple que vous avez mentionné, les services soient disponibles dans une autre province. C'est une chose que je souhaiterais également. Mais je vous dirais que de façon générale, il y a probablement peu de déplacements pour obtenir le niveau de services sociaux nécessaires.

Il est vrai qu'aux États-Unis, et j'ai étudié la question, il y a des déplacements, parfois très perceptibles, pour toucher l'assurance-chômage dans un État plutôt que dans l'autre. Je vérifiais hier le taux très faible de chômage enregistré au Massachusetts et je me demandais dans quelle mesure cela s'expliquait par le faible niveau des prestations d'assurance-chômage; cependant, en toute sincérité, je dois admettre que si l'accessibilité ou la transférabilité ne sont pas assurées, et il faut essayer d'être réaliste, je doute que nous puissions imposer des conditions aux provinces sans proposer certaines méthodes pour transférer les coûts comme nous le faisons dans le domaine de la santé à l'heure actuelle. Si nous voulons que les provinces conservent le droit de décider des services qu'il faut financer et dans quelle mesure—et personne n'a encore soutenu l'opinion contraire—la province ne devrait-elle pas percevoir intégralement les recettes nécessaires pour assurer les



## [Text]

inces, because I think that is a slightly different problem, I ask simply, whether we should be in a situation where—and I gave the example of Quebec and Ontario, which have entirely different ideas on what should be provided in welfare programs; and daycare is a classic example in comparing Quebec and Ontario—the federal government is involved in providing for example, more money for daycare in Quebec than it does in Ontario when it is not seen as a requirement by the government of the Province of Ontario, elected by the people of Ontario? I would like to hear you explain this to me. If you want the federal government to establish something national, what means is it going to use? You have suggested sharing for the CAP program and VRDP. By doing just that we presumably are saying to the provinces, “Okay you decide and we will just pay half the cost.” I do not see the logic of that.

• 1045

**Mr. Sale:** A couple of points. First of all, human services are not terribly well understood by the general population until they come to use them, so they are not terribly popular, particularly ones that are newly developing and daycare is one that great controversy rages around. In the areas where services are mature, like child welfare to a greater extent—we may not like all the child welfare services but the system is fairly mature—there are interprovincial mechanisms which have developed over the years for transfer, for portability, for cost-sharing and cost recovery and those mechanisms work relatively well.

It just does not seem to me to be reasonable to argue that you can say, “Let the province develop or not develop what it politically thinks is supportable by its population” because what is politically supportable by its population may not lead to housing for the handicapped, it may not lead to handi-transit, it may not lead to employment opportunities for people who are disabled. This is because they are not a large group of people, and they are not politically popular, except when it comes time to do some tear jerking routines. A role, I think, for the federal government is to continue to cajole, entice, encourage and where absolutely necessary direct, that certain funds will be spent in ways that meet those groups of peoples needs more effectively and I think that it at least provides some safety in the system, that prevents provinces from totally abandoning or just neglecting that role.

A case in point: British Columbia, saw that the federal government raised pensions to wheelchair disabled people, people who are physically disabled, it immediately reduced its welfare payments to those people, to in effect capture that raise. It took a demonstration on the grounds of the Victoria legislature to convince the provincial government that they should restore that reduction. Now, there will always be that kind of a tension and unless there is a forum and a continuing process of working those things out, then I think we wind up with the total balkanization of many very important services

## [Translation]

services qu'elle veut offrir? Laissons de côté encore une fois le problème des provinces démunies, car c'est là une question légèrement différente. J'ai pris tout à l'heure l'exemple du Québec et de l'Ontario qui ont une conception radicalement différente des programmes sociaux à assurer, le point de comparaison le plus significatif étant les garderies. Je me demande simplement s'il est normal que le gouvernement fédéral verse, par exemple, plus d'argent pour les garderies au Québec qu'en Ontario, province où le gouvernement dûment élu par les Ontariens ne juge pas qu'il s'agit là d'une nécessité? J'aimerais entendre vos explications: si vous voulez que le gouvernement fédéral établisse des services nationaux, quels moyens peut-il prendre? Vous avez suggéré le partage des frais pour le Régime d'assistance publique et le programme de réadaptation professionnelle des invalides. Mais selon cette formule. Nous nous bornons à verser la moitié des frais en laissant complètement la décision aux provinces. Je ne vois pas la logique de cette position.

**M. Sale:** Une ou deux prévisions. Tout d'abord, les services à la personne ne sont pas très bien compris par la plupart des gens tant qu'ils n'en ont pas besoin; il ne s'agit donc pas de programmes très populaires, surtout dans le cas des nouveaux services, et les garderies font justement l'objet de vives controverses. Dans les domaines où les services sont pleinement développés, comme le bien-être de l'enfant—nous pouvons ne pas aimer l'ensemble des services dans ce domaine, mais le système est assez bien développé—des mécanismes interprovinciaux se sont développés avec les années pour assurer la transférabilité, le partage et le recouvrement des frais, et ces mécanismes fonctionnent relativement bien.

Il ne me semble tout simplement pas raisonnable de prétendre qu'on puisse dire: laissons la province mettre sur pied les services pour lui permettre d'établir le climat politique, car ce qui est politiquement possible pour la population peut ne pas permettre de loger les handicapés, d'appliquer le programme Handi-Transit, de multiplier les possibilités d'emploi pour les handicapés. Cela s'explique parce que le groupe de personnes intéressées n'est pas important, n'a pas beaucoup de poids sur le plan politique sauf lorsque vient le moment de larmoyer. C'est pourquoi, à mon avis, il faut que le gouvernement fédéral continue d'inviter, d'exhorter, d'encourager et, au besoin, d'ordonner aux provinces d'affecter certains fonds de manière à répondre aux besoins de ces groupes plus efficacement. De cette façon, on assure au moins une certaine sécurité dans le système, empêchant les provinces de renoncer totalement à ce rôle ou de le négliger.

Un exemple vient à point nommé. Lorsque la Colombie-Britannique a constaté que le gouvernement fédéral avait augmenté les pensions versées aux invalides en fauteuil roulant, aux handicapés physiques, elle a immédiatement réduit ses prestations d'aide sociale pour profiter de cette augmentation. Il a fallu démontrer à l'Assemblée législative de Victoria le bien-fondé de cette mesure pour convaincre le gouvernement provincial de revenir sur sa décision. Ce genre de tension subsistera toujours et, à moins qu'il n'y ait une tribune et des mécanismes permanents pour résoudre ces problèmes, nous



[Texte]

because they are not popular and they do not serve a whole lot of people. They serve people who need them very badly, but they are not people who elect governments. I see you role in that very strongly.

**Mr. Herbert:** I do not think we disagree too much on where we want to go, it is maybe how we are going to get there. That is where we are having a bit of a difference of opinion. You have just mentioned . . .

**An hon. Member:** The Canadian dilemma.

**Mr. Sale:** Sometimes you cannot get there from here.

• 1050

**Mr. Herbert:** You have just mentioned employment for the disabled, and housing for the handicapped—housing for those in need of housing—which are two areas in which the federal government does directly intervene. There is no agreement with the provinces. And the federal government can continue to do that. We discussed early on in my questioning your agreement with transfers to individuals, which obviously, at the lower level, are reducing the need for welfare payments, and so on. There are many areas in which the federal government can intervene directly and does, which is of great benefit to the lower level in our society, and we do not need the provincial approval.

But where we agree—and all groups seem to suggest that we continue to allow the provincial governments to make those decisions—is no one has suggested yet that we intervene to tell the provincial governments what they shall do and what they shall not do at the social services level, and to what extent they shall refund it; whether we should stop B.C. from reducing payments because we are going to finance some mechanical appliances for the handicapped, and so on. Under those circumstances, if you do not see federal intervention, then why not let the provinces do as they are presently doing, finance it themselves?

**Mr. Sale:** We are repeating the same arguments back and forth, Mr. Chairman. It seems to me I have said my side of that issue. It seems to me the Government of Canada should have negotiated with all the provincial governments on that pension increase issue and had an agreement in hand which said we will not capture back this increase. It seems to me to be the essence of the federal system that you negotiate what is desirable for a wide range of people; and you continue to negotiate it. Just because it is hard to negotiate or because it is difficult to get agreement about the evolution of human services is not a rationale to leave the field.

That is, I think, the essence of our point: do not stop that involvement, because it has been critical in evolving the system we have now. Do not stop that, because it will lead to a retrograde Balkanization of what we have now. Sure, there are problems; all kinds of them. That is precisely why you have to continue to have a forum and a role for negotiating the evolution of that system. That is the crux of our point, Mr. Chairman.

[Traduction]

aboutirons à un morcellement total de nombreux services très importants tout simplement parce que ceux-ci ne sont pas populaires et qu'il s'adressent à des groupes limités. Ils s'adressent à des gens qui en ont grandement besoin, mais ce ne sont pas ces gens qui élisent les gouvernements. C'est pourquoi le rôle fédéral me semble d'une importance cruciale.

**M. Herbert:** Je ne crois pas que nous soyons tellement en désaccord sur les objectifs à poursuivre, mais il y a peut-être certaines divergences quant aux moyens à prendre. Vous venez juste de parler . . .

**Une voix:** Du dilemme canadien.

**M. Sale:** Il est parfois difficile d'arriver à certains résultats.

**M. Herbert:** Vous venez de parler d'emploi et de logement pour les personnes handicapées qui en ont besoin; ce sont là deux domaines où le gouvernement fédéral intervient directement. Comme il n'y a pas d'entente avec les provinces, le gouvernement fédéral peut continuer de le faire. A la suite d'une de mes premières questions, vous avez appuyé les transferts à des particuliers; ces transferts réduisent évidemment au palier inférieur le besoin de prestations de bien-être. Il y a toutes sortes de domaines où le gouvernement fédéral peut intervenir directement et le fait, au grand avantage des couches inférieures de notre société, sans qu'il lui faille obtenir l'approbation des provinces.

Nous sommes cependant d'accord, comme semblent d'ailleurs l'être tous les groupes, que les provinces doivent pouvoir continuer de décider sans ingérence de notre part ce qu'elles vont faire en matière de services sociaux et quel sera leur niveau de financement; il semble que nous ne devrions pas empêcher la Colombie-Britannique de réduire sa contribution financière parce que nous payons certains appareils pour handicapés, par exemple. Alors, pourquoi ne pas laisser les provinces continuer à s'occuper elles-mêmes du financement?

**M. Sale:** Nous répétons de part et d'autre les mêmes arguments, monsieur le Président. J'ai dit à ce sujet qu'à mon avis, le gouvernement du Canada aurait dû s'entendre avec tous les gouvernements provinciaux afin qu'ils ne mettent pas la main sur cette augmentation. Il me semble que la nature du système fédéral, c'est de tenter d'obtenir par voie de négociation ce qui est souhaitable pour un grand nombre de gens et de ne pas abandonner tout simplement parce qu'il est difficile de conclure une entente au sujet de l'évolution des services humains.

C'est là, je crois, l'essentiel de notre argumentation: votre participation a eu une grande influence dans l'évolution du système qui existe présentement et son interruption entraînerait la balkanisation de ce système. C'est précisément parce qu'il y a toutes sortes de problèmes qu'il vous faut continuer de négocier l'évolution des services.

[Text]

**Mr. Herbert:** I know it has been repetitious, but in effect, Mr. Sale, what you are saying, or trying to clarify, is that no matter how hard it is, these conditions should be imposed before we agree to the transfer of these funds.

**Mr. Sale:** Sometimes, yes; not always, but sometimes, yes. In that particular case, in the B.C. case, yes, I think there should have been. Wherever there is a group of people in need, a handicapped population or whatever the group in need is, and two bodies are serving it, then a change in one body's services should have some forewarning and negotiation with the other body so that they get in sync and they do not wind up either in competition or out of synchronization with each other. It just makes sense that you would do that.

**The Chairman:** Have you concluded?

**Mr. Herbert:** I just had a question on an entirely different—I do not want to interrupt your line of thought there, but sometimes you might explain to me—you talk about the indexation of some tax deductions as regressive. I would like you to explain precisely what you are talking about there sometimes.

**Mr. Sale:** Very simply, Mr. Chairman, if you index the child deduction—my child is worth now some \$600 or something on the tax statement. Any increasing deduction confers a higher benefit on the higher income, because it confers the benefit at the marginal tax rate. Is that clear?

**Mr. Herbert:** You do not approve of indexing?

**Mr. Sale:** I did not say that, Mr. Chairman; I said the provisions all work at cross purposes. If you are going to give out a child tax credit and at the same time index, then you are conferring benefits at two ends of the scale at the same time. Presumably you must want to do that, but I do not see any federal policy which says we want to confer benefits at both ends of the income scale. It is very clear from The Hidden Welfare System and other taxation expenditure documents that deductions, particularly indexed deductions, confer benefits at the high end of the scale at a much greater rate than they do at the low end of the scale.

**Mr. Herbert:** Thank you.

**The Chairman:** Before I recognize Mr. Blaikie, I do not want to be repetitive, but there is one thing you do not add when you say we should have this bargaining and these negotiations. To my knowledge these negotiations are always held. But what happens when there is no agreement? Could you just tell us briefly what you do if you negotiate that with the provincial governments and you do not get an agreement? Do you go ahead anyway?

• 1055

**Mr. Sale:** Sometimes, yes, you do, because you believe that is what you have to do; and that is where the private sector and where groups like COPO, whom you heard from last night, come into play, to redress the balance that has fallen out. But you do sometimes have to go ahead.

**The Chairman:** So you are saying that federal intervention...

[Translation]

**M. Herbert:** Je sais que nous nous sommes répétés, monsieur Sale, mais ce que vous dites, en réalité, c'est que, quelles que soient les difficultés, nous devrions imposer ces conditions avant d'accepter de transférer les fonds.

**M. Sale:** Pas toujours, mais parfois, oui, comme dans ce cas particulier de la Colombie-Britannique. Dans tous les cas où deux organismes servent des gens dans le besoin, comme un groupe de handicapés, et que l'un de ces organismes modifie ses services, il faudrait que l'autre en soit averti afin que, par voie de négociation, on puisse éviter le double emploi ou les conflits. Ce n'est que logique.

**Le président:** Avez-vous terminé?

**M. Herbert:** Dans un tout autre ordre d'idées, pourriez-vous m'expliquer pourquoi vous considérez que l'indexation de certaines déductions fiscales est régressive? J'aimerais avoir des précisions à ce sujet.

**M. Sale:** C'est très simple, monsieur le président. Supposons que la déduction pour un enfant à charge, qui est actuellement d'environ \$600, soit augmentée; ce sont les personnes à revenu élevé qui en profitent le plus puisqu'elles bénéficient de cet avantage fiscal au taux d'imposition de leur dernière tranche de revenu. Est-ce clair?

**M. Herbert:** Vous ne croyez pas à l'indexation?

**M. Sale:** Ce n'est pas ce que j'ai dit, monsieur le président; j'ai dit qu'il y avait conflit entre les dispositions. S'il y a indexation en même temps qu'un crédit d'impôt pour enfants, les gens qui se trouvent aux deux bouts de l'échelle des revenus en profitent en même temps. Il est possible que cela soit fait délibérément, mais à ma connaissance, ce n'est pas là l'intention de la politique fédérale. Le Régime caché d'assistance sociale et d'autres documents sur les dépenses fiscales établissent clairement que les déductions, particulièrement celles qui sont indexées, avantagent beaucoup plus ceux qui sont au haut de l'échelle des revenus.

**M. Herbert:** Merci.

**Le président:** Avant de donner la parole à M. Blaikie, et au risque de me répéter, je voudrais vous faire remarquer que vous n'allez pas jusqu'au bout de votre raisonnement lorsque vous parlez de négociations. A ma connaissance, ces négociations ont toujours lieu. Mais qu'arrive-t-il lorsque, malgré tous les pourparlers avec les gouvernements provinciaux, il est impossible de conclure une entente? Est-ce qu'il faut alors procéder unilatéralement?

**M. Sale:** Parfois, oui, parce que vous croyez qu'il est nécessaire de le faire; c'est là qu'entrent en jeu le secteur privé et des groupes comme le COPOH (Mouvement des associations provinciales de handicapés) que vous avez entendu hier soir, pour rétablir l'équilibre.

**Le président:** Vous dites donc que l'intervention du gouvernement fédéral...



[Texte]

**Mr. Sale:** Madame Bégin had to go ahead with the child tax credit although she did not have agreement from all the provinces about whether that would be treated as income for social assistance purposes. I think all provinces have agreed that it is not.

**The Chairman:** We had the same problem with the increase in the GIS last year. Any time you have an increase in some social program which has an effective increase in the revenue of people on welfare, there is always the danger that they will increase rents or that sort of thing.

Mr. Blaikie.

**Mr. Blaikie:** First of all, I want to get in on the exchange here between Mr. Herbert and Mr. Sale. No one has come before us suggesting that there be any radical change in the role of the provincial governments vis-à-vis policy decisions in social services or in health. On the other hand, it is a fact now that the federal government has a role in policy-making through CAP by declaring what shall be cost-shared and what shall not. So it is not a case that we now have a case of pure provincial input and find ourselves contrasting that to the need for a shift to pure federal input. The federal government has a say in social services through CAP, and it had a say in health care until 1977. Clearly one of the reasons for the existence of this committee is that when that say disappeared, except in the very general way conditions exist in the Medical Care Act, there appeared to be a deterioration in the health care system because of provincial decisions.

I wanted to ask you, Mr. Sale, a question about the language of established programs, and your own term, "mature programs". What I am worried about when I think I hear you arguing for block-funding for programs that are perceived to be mature and cost-sharing or more conditional funding for programs that are in their embryonic stages or that are not mature yet—what I am worried about is that, at least at this point, there is no such thing as an established program. In many cases—and the most recent example in my own experience was in a conversation with the Treasurer of Ontario, Mr. Miller—there are not regarded as established programs; these are still regarded by large segments of Canadian society as "imposed programs financing". There is still resentment among certain provincial governments, notably governments which are run by political parties which opposed medicare in the first place. There is a resentment against these programs, and they are regarded as imposed programs funds. It is for that reason that leaving it up to provincial governments, at this time, anyway, is such a risky proposition.

Even with health care, Justice Hall suggested that there be cost-sharing with the poorer provinces to bring up the health care systems in the Maritimes and in the poorer provinces generally—but specifically the Maritimes. Would you support that proposal—having cost-sharing even in mature programs, or so-called mature programs, to bring up poorer provinces to national standards?

[Traduction]

**M. Sale:** M<sup>me</sup> Bégin a instauré le crédit d'impôt pour enfants bien qu'elle n'ait pas pu au préalable obtenir de toutes les provinces l'assurance que ce crédit ne serait pas considéré comme revenu pour les fins de l'assistance sociale. Je crois que toutes les provinces ont maintenant décidé qu'il ne s'agit pas d'un revenu.

**Le président:** Nous avons eu le même problème l'année dernière avec l'augmentation du Supplément de revenu garanti. Toutes les fois qu'une augmentation dans un programme social quelconque accroît le revenu des prestataires de bien-être, il y a toujours le danger que soient augmentés les loyers et ce genre de chose.

Monsieur Blaikie.

**M. Blaikie:** Je voudrais tout d'abord m'insérer dans la conversation entre M. Herbert et M. Sale. Personne n'a proposé un changement radical quant à la part que prennent les provinces dans les décisions en matière de services sociaux ou de santé. D'autre part, il est vrai que le gouvernement fédéral participe à l'élaboration de la politique en déclarant par l'entremise du RAPC quels seront les programmes à frais partagés. Il ne s'agit donc pas de passer d'une participation exclusivement provinciale à une participation exclusivement fédérale. Le RAPC donne au gouvernement fédéral une influence dans les services sociaux et il avait jusqu'en 1977 son mot à dire en matière de soins de santé. L'une des raisons évidentes de l'existence de notre comité, c'est qu'il semble que les décisions des provinces aient entraîné une détérioration du système des soins de santé depuis que le gouvernement fédéral n'a plus que l'influence très générale que lui confère la Loi sur les soins médicaux.

Je voulais vous poser une question, monsieur Sale, au sujet du langage des programmes établis et de votre propre expression, «programmes arrivés à maturité». Ce qui m'inquiète, lorsque vous préconisez une formule globale de financement pour les programmes supposément arrivés à maturité et le partage des frais ou un financement plus conditionnel pour ceux qui sont à l'étape embryonnaire, c'est qu'il n'existe pas de programmes établis. Dans bien des cas, comme me l'a révélé récemment une conversation avec le ministre du Trésor de l'Ontario, M. Miller, un bon nombre de Canadiens considèrent que ces programmes ne sont pas établis, mais «à financement imposé». Il y a encore du ressentiment chez certains gouvernements provinciaux, particulièrement ceux dont le parti politique au pouvoir s'est opposé à l'assurance-maladie à l'origine et qui considèrent que ces programmes ont été imposés. C'est pourquoi il serait tellement dangereux, tout au moins maintenant, de s'en remettre entièrement aux gouvernements provinciaux.

C'est pourquoi M. le juge Hall a recommandé qu'afin d'améliorer les soins de santé dans les provinces les plus pauvres, mais particulièrement dans les Maritimes, les frais en soient partagés. Seriez-vous d'accord avec cette proposition—qu'il y ait partage des frais même dans les programmes supposément arrivés à maturité—pour que les provinces les plus pauvres puissent respecter les normes nationales?



[Text]

**Mr. Sale:** Mr. Blaikie, I think if you go to page 5 of our brief you will find we talk about three mechanisms. We did not recommend block-funding for medicare. What we said was that under certain conditions block-funding as a mechanism may serve to maintain the federal commitment to social goals, in minimum standards. In the Province of Newfoundland, for example, the medical care system may be deemed not to be developed fully yet—I do not know that that is the case. I was there last summer, and it was just a super place to be. But let us say that that is the case. Then block funding would not be an appropriate mechanism. I want to separate out the thing that is being funded from the mechanism. First of all you go to the thing that you are funding and you ask if it is a mature service; Is it basically adequate? Are minimum standards in effect in terms of acute care beds per thousand, in terms of physicians or whatever your criteria are? Do you think you have a system that is basically minimum? If the answer is, yes, then conditional block funding may serve to maintain those standards, if the cost of the standards does not rise faster than the formula. We are arguing that in all places in Canada, medicare is fully established. Okay? Is that separated out?

• 1100

**Mr. Blaikie:** Yes.

**Mr. Sale:** We are saying that in all places in Canada, CAP and VRDP are not fully established and, therefore, under no circumstances should they be put under a block funding or even a conditional block funding arrangement.

And you are absolutely right about the reluctance of some provinces to develop certain services. The role of the federal government in cajoling and in holding out carrots and in comparing them one to the other, is a very important dynamic in the evolution of the Canadian social welfare system.

**Mr. Blaikie:** I have a question also about what you referred to in a response to Mr. Herbert, and that is the hidden welfare system and the tax expenditures of the government. It is related to your emphasis in the brief that, if the government finds itself in a particularly unpleasant fiscal situation, this is not so much something that can be compared with the weather. It is the result of the political choice that has been made by the government over the years with regard to indexing; with regard to other forms of tax expenditures whether through write-offs for exploration, super depletion allowances, or tax deferrals, et cetera. Just for the record, I think one of the unfortunate limits of our mandate which I hope we will transcend is that we do not want to be working only within a sort of given revenue picture. Insofar as we have reached a crossroads, that is to say, we have been able to fund a great many of the programs that we have to date because we have experienced economic growth, and we have been able to fund those programs out of the increment without any sort of great decisions having to be made about fundamental redistribution of wealth. We are at a crossroads, and I hear you saying that, having reached the crossroads we ought not to go back by attacking the social programs or making them the scapegoat,

[Translation]

**M. Sale:** Monsieur Blaikie, si vous regardez la page 5 de notre mémoire, vous verrez que nous parlons de trois mécanismes. Nous n'avons pas recommandé une formule de financement globale pour l'assurance-maladie. Nous disons que dans certaines conditions, le financement global peut servir d'outil au gouvernement fédéral pour maintenir son engagement de respecter des normes minimales dans les services sociaux. Supposons qu'à Terre-Neuve, le système de soins médicaux ne soit pas tout à fait au point—ce n'est qu'une supposition et, soit dit en passant, j'ai trouvé cette région très intéressante lors de ma visite l'été dernier—le financement global ne conviendrait pas. Il faut distinguer entre le mécanisme de financement et le programme. Il faut se demander si le service a atteint sa maturité, s'il est convenable, si les normes minimales sont respectées en matière de lits de soins intensifs par millier de population, de médecins et ainsi de suite. S'agit-il fondamentalement d'un système minimal? Si oui, une formule globale de financement conditionnel peut servir à maintenir ces normes, pourvu que les coûts n'augmentent pas plus rapidement que ne le prévoit la formule. Nous ne disons pas que l'assurance-maladie est bien établie partout au Canada. Mon explication est-elle claire?

**M. Blaikie:** Oui.

**M. Sale:** Nous disons que le Régime d'assistance publique du Canada et le service de Réadaptation professionnelle des invalides ne sont pas entièrement établis partout au Canada et qu'il n'est donc pas question qu'ils fassent l'objet d'une formule globale de financement, même à titre conditionnel.

Vous avez tout à fait raison de dire que certaines provinces sont réticentes à mettre sur pied certains services. Le rôle d'enjoleur vu d'incitateur que joue le gouvernement fédéral, ainsi que les comparaisons qu'il fait entre les provinces, contribuent énormément à l'évolution du système canadien de bien-être social.

**M. Blaikie:** Vous avez parlé en réponse à une question de M. Herbert du régime caché d'assistance sociale et des dépenses fiscales du gouvernement. Vous soulignez aussi dans notre mémoire que la situation fiscale déplaisante dans laquelle se trouve le gouvernement n'était pas aussi imprévisible que la météo; elle résulte d'un choix politique fait au cours des ans en ce qui a trait à l'indexation et à d'autres formes de dépenses fiscales, que ce soit l'amortissement des frais de prospection, les déductions de super-épuisement ou les reports d'impôt. Soit dit en passant, je trouve qu'il est dommage que notre mandat définisse un niveau de revenu que nous ne pouvons dépasser et j'espère que nous pourrions surmonter cette difficulté. Nous avons jusqu'à maintenant pu financer un grand nombre des programmes actuels en raison de la croissance économique, sans avoir à prendre de décisions difficiles sur la répartition fondamentale des richesses. Je crois comprendre que vous êtes d'avis, comme nous, que nous en sommes à une croisée des chemins, que nous ne devrions pas attaquer les programmes sociaux ou en faire des boucs émissaires, mais qu'il faut plutôt nous poser des questions plus fondamentales. Comme la croissance de l'économie a été freinée, il est peut-être temps de

[Texte]

but to ask ourselves more fundamental questions. A suggestion would be to say, hey, now that we are not part of this ever-increasing economic picture, now is the time to find out whether all the rhetoric about sharing has been real, or whether it has been just the luxury of affluence.

**Mr. Sale:** Mr. Chairman, I am concerned that you said that we are not talking about enormous shifts. I think if you look at the 1982-83 and 1983-84 federal budgets, we are now looking at enormous shifts. As Mr. Blaikie is saying, we have a very basic question that we have got to answer. We are no longer looking at the question of the whole social affairs envelope when we talk about these shifts. I think that no federal politician is arguing for the de-indexation of OAS-GIS. And I have not heard any arguments lately for the de-indexation of family allowances, although that may be more supportable. I have not heard any arguments for abandonment of health care financing in its present form. And when you strip away the areas of federal expenditure in the social affairs envelope that are already committed or likely not to be touched because of the political nature of them, particularly OAS-GIS, then you find that a large cut in deflated dollars, not in inflated dollars but in 1981 dollars, is about 11 per cent. Now if it is 11 per cent of the whole envelope \$20-something billion, and you are looking at 11 per cent, that is \$2-point-something billion.

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**The Chairman:** Could you situate me?

**Mr. Sale:** In the total envelope you are going to be spending, my understanding of Mr. MacEachen's intentions is they were to reduce the rate of growth to down around 6 per cent or 5 per cent each of the years. If you deal with the assumptions about inflation at the 10 to 12 per cent region, then you are looking at a real reduction in dollars of around 10 or 11 per cent. The point is that those reductions will be concentrated in very few services if you are really talking about things like . . .

**The Chairman:** I do not follow you. My mathematics do not work the same way.

**Mr. Sale:** I did not get a degree in math either, Mr. Chairman. But I am assuming, and let me make the assumption, that you are not going to reduce OAS-GIS; they will continue to be indexed. Therefore they will grow at the rate of inflation. You are probably not going to de-index family allowances; they will grow at the rate of inflation. The likelihood is that you will not reduce health care expenditures, in inflationary rates, at least. So where in the social affairs envelope are we left? We are left with CAP and VRDP and post-secondary education. And when you translate a 10 to 11 per cent budget cut of the whole envelope into the areas that are left, you are talking about massive cuts in a few fields. I just want to have that on the record too, Mr. Chairman.

**The Chairman:** This is where I do not follow you in the mathematics. Where do you get the 11 per cent cut?

**Mr. Sale:** In what the impact is of holding increases to 5 or 6 per cent in the next two fiscal years, where inflation is running at . . .

[Traduction]

déterminer si tout ce qui a été dit au sujet du partage en période d'affluence n'était que rhétorique.

**M. Sale:** Monsieur le président, je m'inquiète lorsque vous dites que nous ne parlons pas de changements radicaux; les budgets fédéraux de 1982-83 et 1983-84 comportent d'énormes changements. Comme l'a dit M. Blaikie, il faut répondre à une question fondamentale; il ne s'agit pas de l'ensemble de l'enveloppe des affaires sociales. Aucun politicien fédéral ne préconise la désindexation de la Pension de sécurité de vieillesse ou du Supplément de revenu garanti, non plus que des allocations familiales, bien que ce serait peut-être plus défendable. Je n'ai pas entendu d'arguments en faveur de l'abandon du financement des soins de santé dans sa forme actuelle. Lorsque vous retirez de l'enveloppe des affaires sociales les sommes déjà engagées ou auxquelles on ne touchera probablement pas pour des raisons politiques, comme les pensions de vieillesse et le supplément, la coupure réelle en dollars de 1981, sans tenir compte de l'inflation, est d'environ 11 pour cent. Sur l'enveloppe entière de quelque 20 milliards de dollars, ces 11 p. 100 représentent un peu plus de 2 milliards.

**Le président:** Vous m'avez un peu perdu.

**M. Sale:** Si j'ai bien compris les intentions de M. MacEachen, il projetait de réduire le taux de croissance pour toute l'enveloppe à 6 ou 5 p. 100 pour chacune des années. Si l'ont prévoit un taux d'inflation de l'ordre de 10 à 12 p. 100, il s'agit donc d'une réduction réelle d'environ 10 ou 11 p. 100. Le fait est que cette réduction sera concentrée dans un très petit nombre de services, comme par exemple . . .

**Le président:** Je ne vous suis pas. Mes calculs ne me donnent pas les mêmes résultats.

**M. Sale:** Je n'ai pas non plus la bosse des mathématiques, monsieur le président, mais je présume, si vous le permettez, qu'il n'y aura pas de réduction des Pensions de sécurité de vieillesse ou du Supplément de revenu garanti, qu'ils vont continuer d'être indexés et de croître par conséquent au rythme de l'inflation. Il en ira probablement de même pour les allocations familiales et pour les dépenses en matière de soins de santé. Que reste-il donc de l'enveloppe des affaires sociales: le Régime d'assistance publique du Canada (RAPC), le Programme de réadaptation professionnelle des invalides et l'éducation post-secondaire. Une coupure de 10 ou 11 pour cent du budget global concentrée dans ces quelques domaines revêt alors beaucoup d'importance. C'est là mon argument, monsieur le président.

**Le président:** Je ne vous suis pas dans vos calculs. Où trouvez-vous une coupure de 11 p. 100?

**M. Sale:** Ce serait la répercussion d'augmentations limitées à 5 ou 6 p. 100 au cours des deux prochaines années financières alors que l'inflation est de . . .



[Text]

**The Chairman:** But that does not work out to an 11 per cent cut.

**Mr. Sale:** In real dollars, Mr. Chairman; in real dollars it does, because you are looking at a 10 to 12 or perhaps more inflationary rate. So it does work out.

**The Chairman:** Mind you, those fiscal predictions were based on the level of inflation expected in October, prescribed in the budget, which was what—10.6 per cent?

**Mr. Sale:** Do you think it is going to be better, Mr. Chairman? I hope you are right.

**The Chairman:** No, but conceivably, if you make a prediction of spending based on an assumption of 10.6 per cent inflation, you are going to have to revise your spending framework if inflation is higher than expected.

**Mr. Sale:** I hope you will revise the framework. It looks as if, according to those projections, real tax revenues will rise by 10 per cent; real revenues, not deflated revenues.

**The Chairman:** That is another . . .

**Mr. Sale:** That is another projection, but why in the light of real revenues rising by 10 per cent are we looking at real expenditures reducing by 10 per cent in a narrow set of fields? Those are not minor cuts and minor shifts, Mr. Chairman.

**The Chairman:** At the time the budget and the spending framework was determined, nobody expected there would be a real increase of 10 per cent in revenues. Everybody is happy this is happening, but—were you finished, Bill? I am sorry.

**Mr. Blaikie:** I do not recall having relinquished the floor; I just got lost in the . . .

**The Chairman:** You do not have to relinquish it, I can take it from you.

**Mr. Blaikie:** Perhaps just a follow-up on the conversation that just ensued. There is a certain irony in the fact that just at the time that the federal government is moving to achieve significant savings in the social envelope, to use the language of the budget, it is moving to increase the revenues the lack of which it used as a justification for the savings it now seeks to achieve. So there may be a sense in which the mandate of this committee, insofar as it is tied to any particular fiscal need, is already outdated, given the National Energy Program, given the unexpected growth in the economy, and certainly even antecedent to that, given the other alternatives which exist in tax expenditures, et cetera. So I just wanted to make that comment: that the revenue picture on which the government bases its predictions is already outdated and we are really dealing with what it could well be argued is a false dilemma.

**The Chairman:** Thank you very much, Mr. Sale, for your presentation. It is very well thought out and we appreciate it very much. It is a good contribution to our deliberations, and we will certainly consider it seriously.

**Mr. Sale:** Thank you very much, Mr. Chairman and members.

**The Chairman:** I would now ask the representatives of the Legal aid Lawyers Association, Mr. Arnie Peltz, President;

[Translation]

**Le président:** Cela ne donne pas une coupure de 11 p. 100.

**M. Sale:** En dollars réels, oui, monsieur le président, puisqu'on envisage un taux d'inflation de 10 à 12 p. 100 ou même plus.

**Le président:** Ces prédictions étaient fondées sur le taux d'inflation prévu en octobre qui, d'après le budget, était de 10.6 p. 100, si je ne m'abuse.

**M. Sale:** Croyez-vous qu'il sera moins élevé, monsieur le président? J'espère que vous avez raison.

**Le président:** Non, mais il est possible que les prévisions faites en fonction d'un taux d'inflation de 10.6 p. 100 soient révisées si ce taux est plus élevé que prévu.

**M. Sale:** J'espère qu'elles le seront, puisqu'il semble que d'après les mêmes prévisions, les recettes fiscales réelles vont augmenter de 10 p. 100.

**Le président:** C'est une autre . . .

**M. Sale:** C'est une autre prévision, mais comment se fait-il qu'alors que les revenus réels augmentent de 10 p. 100, on songe à réduire de 10 p. 100 les dépenses réelles dans un ensemble limité de domaines? Il ne s'agit pas de réductions mineures, monsieur le président.

**Le président:** Au moment où le budget et les prévisions de dépenses ont été établis, personne ne prévoyait une augmentation réelle des revenus de 10 p. 100. Tous en sont heureux, mais . . . Pardon, Bill, aviez-vous terminé?

**M. Blaikie:** Je ne me souviens pas d'avoir cédé mon droit de parole; j'ai seulement . . .

**Le président:** Il n'est pas nécessaire que vous le cédiez, je puis vous l'enlever.

**M. Blaikie:** Je voudrais tout simplement donner suite à votre conversation. Il est plutôt ironique que le gouvernement, comme il le dit dans le budget, tente de réaliser des épargnes importantes dans l'enveloppe sociale en alléguant un manque de revenus alors qu'il prend des mesures pour accroître ces revenus. Dans un certain sens, le mandat de notre comité est peut-être déjà périmé dans la mesure où il est lié à un besoin fiscal particulier, compte tenu du Programme énergétique national, de la croissance imprévue de l'économie et, avant tout, des autres options en matière de dépenses fiscales. Je dirais donc que les renseignements sur lesquels le gouvernement s'est fondé pour établir ses prévisions ne sont plus à jour et que le dilemme dont nous traitons n'existe plus.

**Le président:** Merci beaucoup, monsieur Sale. Votre mémoire a été très bien préparé et nous vous en sommes reconnaissants. Il constitue une bonne contribution à nos délibérations et nous allons certainement lui accorder beaucoup de poids.

**M. Sale:** Merci beaucoup, monsieur le président et membres du Comité.

**Le président:** Je voudrais maintenant demander aux représentants de l'Association des avocats de l'aide juridique (Legal



**[Texte]**

Ms Sheila Rogers, Vice-President; Ms Brenda Silver, to come forward to the table.

We have a copy of your brief. It is not necessary for you to read this for it to be on the record, because we can append it to today's *proceedings*. But it is your wish. It may be better if you summarize it. It will be on the record. Then we can go on to questioning. Is this correct?

So, Mr. Peltz, you will go over a brief summary. But before you do—is it agreed, gentlemen, that we append this submission to today's *Proceedings*?

**Some hon. Members:** Agreed.

**The Chairman:** Mr. Peltz.

**Mr. Arnie Peltz (President, Legal Aid Lawyers Association):** Mr. Chairman, members of the committee, thank you. As you are aware, there was an unfortunately brief period of time available to groups, organizations, and witnesses to prepare, so the brief you have before you is literally hot off the press, just having been finished this morning. While I am attempting to read it, because in some respect I will be reading it, or parts of it, for the first time, I will try to summarize it, as you have requested. I will perhaps read portions of it to highlight what we feel are our strongest concerns.

To begin with, I am here as the president of the association and Ms. Rogers is the vice-president. Ms. Silver is one of the members. We are all Legal Aid staff attorneys, which means we are employed on a full-time basis by the Province of Manitoba to work in legal services. We all work in a neighbourhood law office. As a result of that type of practice, we do come in contact frequently with welfare problems and other similar problems which may be of some interest to you as a federal parliamentary committee. As we indicate in our brief, there are legal aid offices and therefore we have members in points around the Province of Manitoba. We represent both lawyers and articling students.

I wanted to make a comment about your terms of reference, because upon my looking them over, it does appear they are quite restrictive. You are, I understand, looking at expenditures, but not, on the other hand, at the revenue side. We will try to give you some of our comments on the administration of social assistance, at least in the Province of Manitoba. There is also, as I am sure all the members are aware, what has been called, at least, a hidden welfare system. Certainly from the point of view of our clients and their entitlement under various social programs, the existence of that hidden welfare system puts some pretty severe constraints on what they may receive. That, I understand, is not something which is before you, unfortunately.

**[Traduction]**

Aid Lawyers Association) de s'avancer pour témoigner. Il s'agit de M. Arnie Peltz, président, M<sup>me</sup> Sheila Rogers, vice-présidente, et M<sup>me</sup> Brenda Silver.

Nous avons un exemplaire de votre mémoire. Vous n'avez pas à en donner lecture pour qu'il paraisse dans notre compte rendu puisque nous pouvons l'annexer à nos délibérations d'aujourd'hui. Ce sera comme vous le voudrez, mais il serait peut-être préférable de nous résumer le mémoire. Il paraîtra dans le compte rendu de toute façon. Nous pourrions ensuite passer aux questions. Cela vous convient-il?

Alors, monsieur Peltz, vous allez nous donner un bref résumé. Auparavant, je voudrais demander à ces messieurs s'ils sont d'accord pour que le mémoire soit annexé aux délibérations d'aujourd'hui.

**Des voix:** D'accord.

**Le président:** A vous, monsieur Peltz.

**M. Arnie Peltz (président, Association des avocats de l'aide juridique):** Merci, monsieur le président, messieurs les membres du Comité. Comme vous le savez, les divers groupes, organisations et témoins ont malheureusement disposé de fort peu de temps pour se préparer. Notre mémoire vient tout juste de sortir des presses; il n'a été terminé que ce matin. J'avais l'intention d'en donner lecture car, en fait, il y a encore certaines parties que je n'ai pas lues moi-même. Je vais cependant essayer de résumer comme vous l'avez demandé. Je donnerai peut-être lecture de certains passages pour mettre en évidence nos principales préoccupations.

Je dirai, pour commencer, que je suis président de l'Association. M<sup>me</sup> Rogers est la vice-présidente et M<sup>me</sup> Silver est l'une de nos membres. Nous sommes tous des avocats de l'aide juridique, c'est-à-dire des employés à plein temps de la province du Manitoba chargés de donner des services juridiques. Nous travaillons tous dans des études de quartier. Dans l'exercice de nos fonctions, nous avons souvent à nous occuper de problèmes de bien-être social et de questions semblables susceptibles de vous intéresser, à titre de parlementaires fédéraux. Comme nous le mentionnons dans notre mémoire, il y a plusieurs bureaux d'aide juridique et nous avons donc des membres un peu partout dans la province. Nous représentons tant des avocats que des étudiants stagiaires.

Permettez-moi une observation au sujet de votre mandat: il me paraît, après examen, qu'il est fort restrictif. Si je comprends bien, vous étudiez les dépenses, mais non les recettes. Je vais essayer de vous donner notre opinion sur l'administration de l'assistance sociale, du moins dans la province du Manitoba. Vous n'êtes pas sans savoir, par ailleurs, qu'il existe ce qu'on appelle un régime caché d'assistance sociale. Bien sûr, du point de vue de nos clients et de leurs droits dans le cadre des divers programmes sociaux, l'existence de ce régime limite sérieusement les prestations qu'ils peuvent recevoir. Je crois comprendre cependant que cette question ne relève malheureusement pas de vous.

[Text]

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You are also, constrained I understand by the provisions of the October 1980 budget address, and just in the few minutes that I have been here, I heard a number bandied about, and it appears that something like a \$1.5 billion cutback or, if you prefer, a reduced rate of expansion if that makes any sense, is to be the reduction of social affairs envelope. Now I understand from reading the testimony of the Minister of Finance that, at least from the government's point of view, it has not been determined how that kind of cutback or reduction in increases is to be effected.

But from our point of view, however it is done it is bound to affect low-income people—that is to say our clients. We submit that that kind of a cutback or reduction is inequitable and certainly indefensible. We are aware or at least I believe, there is no automatic renegotiation of the CAP program in the way that there may have to be for some of the other programs.

I guess this is covering to some extent, the ground the previous witness covered but without certainly having the expertise of Mr. Sale, it is our apprehension in general that a cutback of this magnitude is going to have to effect low-income people who are presently receiving social assistance under CAP.

In our brief, basically we deal with two things. One is a review of some of the increases that have taken place in Manitoba in welfare services which have been funded largely under the Canada Assistance Plan. Another is that we address ourselves to the notion of standards which is essential to the whole scheme of federal funding, and we look at some of the legal aspects of the minimum standards that are supposed to apply throughout the country.

As we say in our introduction, Manitoba is not one of the provinces which is contributing to the fiscal imbalance that the Minister of Finance talked about and of his apprehension that provinces are getting bloated with revenue. It is not a problem that we in Manitoba have been worrying about a great deal. In fact, I heard on the news this morning that one of the oil wells in southwestern Manitoba which was supposed to be our new Jerusalem, turned up 80 per cent water this morning; so I guess that is about the state of affairs in Manitoba today. So, if a province like Manitoba is left on its own should the government go into block funding or anything less than the 50-50 costsharing at the present levels for CAP, then we are not sure how much of Manitoba's welfare program is going to remain in place in the future, and hence our concern.

Now we have a fairly detailed review in our first section on the effect of CAP on welfare services and, rather than read all of it to you, I would simply point out that the review shows to begin with, the very, restrictive availability of social assistance in Manitoba in the early nineteen sixties, prior to the Manitoba-Canada agreement under the Canada Assistance Plan. We can give you some of the details such as the provision of welfare to widows and orphans and that is just about it; there are the families where the breadwinners have deserted for four

[Translation]

Je crois savoir en outre que vous devez tenir compte des dispositions de l'exposé budgétaire d'octobre 1980. Dans les quelques minutes que j'ai passées ici, j'ai entendu citer à plusieurs reprises un chiffre alarmant: l'enveloppe des affaires sociales serait réduite de 1.5 milliard de dollars, ou si vous le préférez, ne connaîtrait qu'une croissance réduite. Je suppose, ayant lu le témoignage du ministre des Finances, que, du point de vue du gouvernement au moins, on n'a pas encore déterminé quelles coupures on apportera ou quelles majorations seront réduites.

A notre avis, cependant, de quelque manière qu'on le fasse, cela touchera les gens à faibles revenus, c'est-à-dire nos clients. Nous estimons que des coupures ou des réductions de ce genre sont injustes et, certes, indéfendables. Je pense qu'il n'y a pas, dans le cas du Régime d'assistance publique du Canada, de renégociation automatique comme pour certains autres programmes.

Dans une certaine mesure, je parle là de questions qu'a abordées le précédent témoin. Sans avoir la compétence de M. Sale, nous craignons quand même que des réductions de cet ordre aient nécessairement des effets sur les gens à faibles revenus qui reçoivent actuellement de l'aide dans le cadre du RAPC.

Notre mémoire comprend essentiellement deux parties. Dans la première, nous passons en revue certaines des améliorations apportées aux services de bien-être social du Manitoba, qui ont été financées dans une grande mesure dans le cadre du Régime d'assistance publique du Canada. La deuxième partie traite de la notion de normes qui se rattache étroitement à l'ensemble du programme de financement fédéral. Nous y examinons également certains des aspects juridiques des normes minimales qu'on est censé appliquer dans tout le pays.

Comme nous le faisons remarquer dans l'introduction, le Manitoba n'est pas l'une des provinces qui contribuent au déséquilibre fiscal dont par le ministre des Finances. Nos revenus ne nous étouffent pas encore, cela est certain. En fait, j'ai appris en écoutant les nouvelles de ce matin que l'un des puits de pétrole du sud-ouest du Manitoba, qui devait nous procurer des richesses incalculables, avait une teneur en eau de 80 p. 100. Voilà qui illustre bien la situation actuelle dans notre province. Par conséquent, si le gouvernement fédéral adoptait une formule globale de financement ou n'importe quelle formule autre que le partage des frais au niveau actuel, laissant ainsi des provinces comme le Manitoba se débrouiller toutes seules, alors il n'est pas certain que les services sociaux manitobains se maintiendraient à l'avenir. C'est là la source de nos préoccupations.

Comme je l'ai dit, la première partie de notre mémoire donne une description assez détaillée des effets du RAPC sur les services de bien-être social du Manitoba. Il ressort clairement de cette description que l'aide sociale était extrêmement limitée au Manitoba au début des années 60, avant l'entrée en vigueur de l'accord fédéral-provincial conclu dans le cadre du Régime d'assistance publique du Canada. Je pourrais vous donner des détails sur les modalités de l'aide sociale d'alors. En fait, elle se limitait pratiquement aux veuves, aux orphelins,



*[Texte]*

or more years. This type of thing. It is set out in detail. From the midsixties onwards to the present time, there has been a slow but steady liberalization of the categories for social assistance, and a slow but steady increase in various types of services which are welfare services under the description in the Canada Assistance Plan. And although we have not conducted an extended research project, looking back over this period of years, it is our feeling, that the federal funding must have been extremely significant in this expansion of both social allowance and welfare services.

Some of the figures we do have, are explained on page 7 of the brief where we say that in 1966-67, the federal government contributed \$503,000 and change to Manitoba under CAP. In 1978-79, the federal government contribution was in excess of \$10 million. We doubt that without this type of contribution the expansion and development of welfare services in Manitoba would have been possible.

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In addition, we cannot be content with the present level of services and of assistance. We feel our clients require more assistance in dealing with poverty, and therefore we encourage greater development and expansion in this area. Without continued federal participation, especially in Manitoba, this simply would not be possible. Therefore we say greater federal contribution rather than less contribution is what is required now.

The present formula for calculating the federal contribution we feel is satisfactory and it should be continued. It provides the provincial government with an incentive, which some provincial governments may need, to utilize provincial moneys in an area like this, in that the provincial government will receive 50 per cent of its expenditure from the federal government. As I said, I am not certain and I do not know if anyone is aware whether block-funding or some other scheme is coming under the Canada Assistance Plan, but if it is, we oppose it. We fear that such a system would result in a decrease and a stagnation of welfare services in Manitoba.

Now I will address the second subject of our brief, which is the provision of minimum standards. As we said in the opening part of our brief, it may be that these are more of a myth than a reality at the present time in Canada; certainly from our experience in Manitoba. The plan, we certainly can see, did have a direct effect on the granting of assistance in Manitoba. Even before the plan was enacted federally, Manitoba amended its provincial legislation in contemplation of the plan coming in. At that time welfare administrators for the first time were forced to follow the regulations rather than simply to arbitrarily or at whim to grant or deny assistance. In addition, the jurisdiction of the Provincial Appeal Board was extended to municipal welfare recipients.

We believe this plan permitted the NDP government of Manitoba in 1969 to raise social allowance rates dramatically, something like 40 per cent, after a decade of virtually no increases, and also permitted that government to protect allow-

*[Traduction]*

aux femmes abandonnées avec leurs enfants depuis quatre ou cinq ans. Le mémoire donne tous les détails à ce sujet. Depuis le milieu des années 60 jusqu'à nos jours, les catégories admissibles ont été lentement mais régulièrement élargies, en même temps que les services de bien-être s'amélioraient. Bien que nous n'ayons pas mené d'étude approfondie à ce sujet, nous croyons, en considérant cette période, que le financement fédéral a joué un rôle prépondérant dans cette augmentation de l'aide sociale et des services de bien-être.

Nous donnons quelques chiffres à la page 7 du mémoire: en 1966-1967, la participation fédérale en vertu du RAPC s'est élevée, pour le Manitoba, à quelque \$503,000. Onze ans plus tard, en 1978-1979, la contribution fédérale dépassait les 10 millions de dollars. En l'absence d'un tel financement, le Manitoba n'aurait pas pu, à notre avis, développer à ce point ses services de bien-être social.

Nous ne pouvons, en outre, nous satisfaire du niveau actuel des services et de l'assistance. Nous croyons que nos clients ont besoin de plus d'aide pour échapper à la pauvreté. Nous favorisons donc un plus grand développement et une plus grande expansion dans ce domaine. Sans l'apport fédéral, cela est tout simplement impossible, surtout au Manitoba. À notre avis, les contributions fédérales devraient augmenter et non diminuer.

Nous croyons que la formule actuelle de calcul de la contribution fédérale est satisfaisante et devrait être maintenue. Elle encourage les gouvernements provinciaux—et certains en ont besoin—à affecter des fonds de la province à l'assistance sociale puisqu'Ottawa leur rembourse 50 p. 100 de leurs dépenses. Je ne sais pas s'il est vrai que le gouvernement fédéral songe à une formule globale de financement ou à un système différent dans le cadre du Régime d'assistance publique du Canada, mais si cela est, nous nous y opposons. Nous craignons qu'une telle formule ne mène à une diminution ou à une stagnation des services de bien-être social au Manitoba.

Je vais maintenant passer à la deuxième partie de notre mémoire qui porte sur l'établissement de normes minimales. Comme nous le faisons remarquer dans l'introduction, il est bien possible que ces normes soient, à l'heure actuelle, plus un mythe qu'une réalité au Canada. Il est certain que c'est le cas au Manitoba. Comme nous venons de le voir, le RAPC a certes eu des effets directs sur la prestation de l'aide sociale au Manitoba. Même avant l'entrée en vigueur du Régime à l'échelle fédérale, le Manitoba avait modifié certaines lois provinciales en prévision de son adoption. À ce moment, les administrateurs du bien-être social ont dû, pour la première fois, se conformer à des règles au lieu d'agir à leur gré en accordant ou en refusant l'assistance. De plus, la juridiction de la Commission d'appel provinciale a été étendue aux bénéficiaires de l'aide sociale municipale.

Nous croyons que le Régime a permis au gouvernement néo-démocrate du Manitoba de majorer considérablement le taux des allocations de bien-être en 1969. Les prestations ont pu être augmentées de près de 40 p. 100 après une décennie de



## [Text]

ances from inflation through to 1977. Unfortunately, the government which took office in 1977 has not seen fit to make similar use of the plan, or at least full use, and therefore has allowed inflation to erode allowances to the extent that they now provide something like 20 per cent less in real terms than in 1977.

Unfortunately, we feel the plan has not fulfilled its full potential to improve assistance in Manitoba because there has been inadequate federal enforcement and there is also very imprecise wording in the legislation, which has resulted in the province never having to observe fully its undertakings contained in the cost-sharing agreements. There are three minimum standards that we are talking about here; the three basic ones in the plan: first of all, to give financial assistance to people in a way which takes into account their basic requirements—the basic requirements of life; I am not talking about the frills—secondly, there is not to be any residency requirement as a condition of assistance; and thirdly, there is to be an appeal procedure.

We believe Manitoba has never fully complied with the first and the most important of these undertakings. According to CAP, it is the provincial authority which is supposed to determine adequate levels of assistance in the province. In our view, the province of Manitoba has illegally delegated this power to each of the many municipalities in the case of many people who are in need. The result has been that municipal recipients receive far less than their basic requirements of life, as compared to provincial recipients, even though the needs may be the same or even greater. The federal authorities administering CAP have never objected to this massive failure to provide municipal recipients with their basic requirements. At least as far as we are aware, they have not questioned this unlawful delegation, despite the fact that there is an express reference to this situation in a judgement of the Supreme Court of Canada. We have set that out, if you are interested, in the footnotes. That is *Leblanc v. Transcona*.

In addition, every penny of municipal relief is a loan. It is not a grant in the Province of Manitoba, and we question, and perhaps you would like to consider, whether the Canada Assistance Plan was set up to provide cost-sharing on loans rather than on the granting of welfare assistance.

• 1120

We describe also for you the rather incredible situation which exists in this province—and I am not aware; perhaps in others—where the provincial authority can set what it deems to be the level of the basic necessities of life, and then, because of error or possible misrepresentation by the recipient, can undercut that basic level and say you are entitled to your basic necessities of life minus 10 per cent or minus 5 per cent. We suggest that that as well is a breach of the Canada Assistance Plan.

In addition, as we point out, we believe there has been a breach of the requirement that there be no residency requirement. That is supposed to be a federally imposed or a federally required standard across the country. Even in provincial legis-

## [Translation]

stagnation presque totale et, jusqu'en 1977, elles ont été protégées contre l'inflation. Malheureusement, le gouvernement qui a pris le pouvoir en 1977 n'a pas jugé bon de profiter du Régime autant que son prédécesseur et a donc laissé l'inflation réduire la valeur réelle des prestations de près de 20 p. 100 en quatre ans.

Nous estimons cependant que le Régime n'a pas atteint tous ses objectifs parce que le gouvernement fédéral ne s'est pas suffisamment soucié de son application et que la formulation très vague de la loi a permis à la province de ne jamais respecter pleinement les engagements qu'elle avait pris dans le cadre des accords de partage des frais. Le Régime prévoit trois normes fondamentales: premièrement, assurer aux gens une aide financière qui tienne compte de leurs besoins de base... et je parle ici de choses de première nécessité et non de superflu... deuxièmement, ne pas faire du lieu de résidence une condition de l'octroi de l'aide; et, troisièmement, établir une procédure d'appel.

Nous croyons que le Manitoba n'a jamais pleinement respecté le premier de ces engagements qui est aussi le plus important. Le RAPC laisse à la province le soin de déterminer un niveau de prestations adéquat. A notre avis, la province du Manitoba a illégalement délégué ce pouvoir à chacune des nombreuses municipalités qui administrent leurs propres services de bien-être social. En conséquence, les prestataires municipaux reçoivent bien moins que ce qu'il leur faudrait pour satisfaire leurs besoins de base, par rapport à ceux qui touchent des prestations provinciales, bien que leurs besoins soient les mêmes sinon plus grands. Les administrateurs fédéraux du RAPC ne se sont jamais élevés contre cette situation. A notre connaissance, ils ne se sont jamais opposés à cette délégation de pouvoirs illégale en dépit de la mention explicite qui en est faite dans un jugement de la Cour suprême du Canada. Pour ceux que cela intéresse, nous donnons les détails de cette affaire dans les renvois en bas de page. Il s'agit de la cause *Leblanc contre Transcona*.

Ce qui est encore plus grave, c'est que l'aide municipale est accordée intégralement à titre de prêt et non à titre de don. Nous nous demandons... et peut-être en ferez-vous de même... si le Régime d'assistance publique du Canada a été établi pour financer des prêts ou des prestations de bien-être social.

Nous exposons également dans notre mémoire la situation incroyable qui existe au Manitoba—et peut-être aussi dans d'autres provinces—où les autorités provinciales peuvent fixer ce qu'elles jugent être le niveau de subsistance puis, à cause d'une erreur ou peut-être d'une déclaration inexacte du bénéficiaire, décider de ne lui accorder que 90 ou 95 p. 100 de ce niveau seulement. Nous estimons que cela aussi constitue une violation des dispositions du Régime d'assistance publique du Canada.

Nous croyons de plus qu'il y a aussi violation de la disposition qui interdit d'établir des conditions de résidence. C'est là une disposition fédérale qui doit en principe s'appliquer dans tout le pays. Or la loi sur les prestations sociales du Manitoba

## [Texte]

lation, the Manitoba Social Allowance Act makes express reference to the requirement that you be a resident.

There have been, Mr. Chairman, numerous efforts to challenge these kinds of breaches in the administration of the Canada Assistance Plan; some five or six I am aware of, and I believe one which originated in Winnipeg is presently before the Federal Court of Canada; it has not yet been completed. But all these efforts, so far at least, have failed, because the courts have not seen fit to allow individual litigants to enter into and to attempt to enforce contractual agreements between various levels of government. That, I would submit to you, is an extremely unfortunate situation. I will assure you that at least in the City of Winnipeg there are people and there are lawyers who are quite prepared to take on either level of government or both levels if they are breaching the law. I think it is unfortunate that so far the courts have not taken a liberal approach. If the governments are not prepared to live up to their obligations, then I think they should allow the citizenry to step in and do it, if they are prepared to do so. Nevertheless, we are suggesting to you that you suggest to the government that these breaches should be remedied.

The final topic we wanted to address, which is under the heading of "standards", relates to the right of appeal. Because we are a group of lawyers, this is one of the areas we are in most contact with. It is central to the whole Canada Assistance Plan that welfare recipients have some recourse against the decisions of administrators, particularly because this does involve the basic necessities of staying alive. The plan does require that the province have in place a procedure for appeals, and we would certainly approve of that.

In Manitoba, the section of the Social Allowances Act which provides for the appeal procedure was proclaimed in 1961, but for the first 8 or 9 years a total of only 143 appeals were filed with the Appeal Board. Since 1969, the number of appeals has increased substantially, with 4,549 appeals being filed in the 9 years since 1969; an average of 505 appeals per year. Though there is not an annual report published as yet for the last 2 years, we were able to ascertain that in the past 2 years in Manitoba, something in excess of 300 appeals per year were filed against the decision of the Provincial Director of Welfare.

Because a fairly large number of appeals are being filed, we feel we should draw to your attention some of the serious problems taking place; in particular, recent problems in the Province of Manitoba. As far as we are aware, no member of the Appeal Board now is or has been himself or herself a recipient of social allowance. It is our opinion that participation by such people in the decision-making process would be valuable, and their presence would provide some balance and some credibility to the Appeal Board.

Because all Appeal Board members are appointed by the provincial government, decisions of the board tend to reflect the philosophy of the prevailing administration. We want to bring to your attention what we feel is a rather striking contrast in appeal statistics between the two administrations we have enjoyed in the Province of Manitoba in recent years.

## [Traduction]

(Manitoba Social Allowance Act) prévoit expressément que les bénéficiaires doivent être résidents de la province.

Monsieur le président, on a tenté à maintes reprises de s'opposer en justice à ces irrégularités dans l'administration du Régime d'assistance publique du Canada. Je suis au courant de cinq ou six cas et il y en a un, venant de Winnipeg, qui est actuellement soumis à la Cour fédérale. Le jugement n'a pas été rendu ce dernier cas mais jusqu'ici les tribunaux n'ont jamais voulu permettre des particuliers de chercher à faire respecter des ententes contractuelles conclues entre divers plaiers de gouvernement. Je trouve cela très malheureux. Je puis vous assurer qu'il y a—du moins dans la ville de Winnipeg—des gens et des avocats qui sont tout à fait disposés à poursuivre en justice l'un ou l'autre ou même les deux paliers de gouvernement s'ils agissent illégalement. Je regrette que les tribunaux ne se soient pas montrés plus ouverts à cet égard. Si les gouvernements ne respectent pas leurs obligations, alors les tribunaux devraient permettre aux citoyens d'intervenir s'ils sont disposés à le faire. Quoi qu'il en soit, nous voudrions que vous demandiez au gouvernement de remédier à cette situation.

Le dernier point dont nous voulons parler, qui est exposé sous le titre de «Normes» dans le mémoire, porte sur le droit d'appel. Comme notre Association est composée d'avocats, c'est là un domaine qui nous touche de très près. Il est essentiel, dans le cadre du Régime d'assistance publique du Canada, que les bénéficiaires de l'aide sociale puissent en appeler des décisions des administrateurs, surtout quand il s'agit de leurs besoins de base, de ce qu'il leur faut pour subsister. Bien sûr, le Régime impose aux provinces d'avoir une procédure d'appel et nous nous en félicitons.

Au Manitoba l'article de la loi sur les prestations sociales qui prévoit la procédure d'appel a été proclamé en 1961, mais pendant les huit ou neuf premières années, la Commission d'appel n'a reçu au total que 143 appels. Depuis 1969, ce nombre a considérablement augmenté: 4,549 appels ont été interjetés dans les neuf années suivantes, soit en moyenne 505 par an. Bien que les rapports annuels des deux dernières années n'aient pas encore paru, nous avons pu déterminer que plus de 300 prestataires ont fait appel chaque année contre les décisions du directeur provincial du bien-être social.

Le nombre d'appels interjetés étant élevé, nous croyons devoir attirer votre attention sur un certain nombre de graves problèmes qui se sont surtout posés ces dernières années au Manitoba. A notre connaissance, aucun membre de la Commission d'appel ne fait ni n'a fait partie des prestataires du bien-être social. Nous estimons que la participation de bénéficiaires présents ou passés au processus de décision serait précieuse. Leur présence assurerait un certain équilibre et donnerait plus de crédibilité à la Commission d'appel.

Tous les membres de la Commission étant nommés par le gouvernement provincial, leurs décisions tendent à refléter la philosophie du parti au pouvoir. Nous voudrions, à cet égard, porter à votre attention quelques statistiques qui, à notre avis, illustrent bien la différence entre les deux administrations que nous avons connues au Manitoba ces dernières années. Pen-



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Beginning with the NDP years, which were 1970 to '77—at least the years we have statistics for here—1,142 appeals were allowed and 1,308 appeals were dismissed. By contrast, since the election of the provincial Conservative government in Manitoba, 180 appeals have been allowed, and 429 have been dismissed. To compare those, the success ratio for welfare appellants is now running at about 30 per cent before the Provincial Appeal Board. Previously, recipients could look forward over the course of the years to an average of 46 per cent of successful appeals. Now there may be various conditions which have changed; certainly there is variation from year to year; but we suggest to you that that kind of a drastic change in percentage of successful appeals must be due at least partly to the change in membership on the appeal board.

• 1125

These figures are in accordance with our experience acting as counsel for welfare recipients before the appeal board. In general, we find the board to be hostile, to be insulting, and to be almost uniformly skeptical in its approach to welfare recipients who are appellants. On difficult cases, which is where we are cost frequently involved, it has become basically a rubber stamp for the Department of Welfare. It consistently refuses to give any meaningful reasons for its decisions which makes it, of course, extremely difficult to challenge on judicial review or appeal.

These are strong words I suppose but we considered them and we make them in all good conscience. We make this statement to you that the operation of this board in Manitoba is an affront to the administration of justice. And worse, worse than the anxiety and the frustration which it is causing to lawyers who appear there, it is a tragedy for a welfare recipient who may have a dispute with his or her welfare administrator.

We suggest to you that the federal role in CAP must involve some steps towards evening-out this type of drastic fluctuation in the quality of appeal board decision-making. We have suggested already that requiring recipients to sit on the board might be one approach. Others might involve some type of independent procedure for making the appointments to the board; another might be to require some legally-trained persons, not all but some, to sit on the board; and perhaps have some requirements for more liberal judicial review or a better appeal procedure. But if some changes are not made soon, at least in the Province of Manitoba, we believe that the right of appeal which is supposed to be enshrined under CAP will become simply a dead letter.

We go on to describe for you a number of procedural problems which welfare recipients are encountering in the Manitoba situation. Recently the province amended the act to indicate that there was a right to counsel and a right to be informed of the right to counsel, and we point out to you that a year after the passage of the legislation, in the city of Winnipeg at least, the requirement has not been met, and people

*[Translation]*

dant la période néo-démocrate, qui va de 1970 à 1977—ce sont du moins les années pour lesquelles nous disposons de chiffres—, la Commission a fait droit à 1,142 appels et en a rejeté 1,308. Par comparaison, depuis la venue au pouvoir du gouvernement conservateur au Manitoba, la Commission a accepté les arguments de 180 appelants et en a débouté 429. A l'heure actuelle, le taux de succès des appels est aux alentours de 30 p. 100. Auparavant, ce taux était en moyenne de 46 p. 100. Certes, diverses conditions ont changé et il y a des fluctuations d'une année à l'autre, mais nous estimons qu'une telle variation de pourcentage de succès des appels est très probablement attribuable, du moins en partie, aux changements apportés à la composition de la Commission d'appel.

Ces chiffres confirment d'ailleurs nos propres impressions puisque les membres de notre Association ont souvent défendu des prestataires de bien-être social devant la Commission d'appel. D'une façon générale, nous trouvons que la Commission est hostile, souvent insultante et presque toujours sceptique dans sa façon d'aborder les prestataires qui font appel. Dans les cas difficiles—ceux dont nous nous occupons le plus souvent—la Commission ne fait essentiellement que confirmer les décisions des services de bien-être. Elle refuse presque toujours de donner des raisons sérieuses pour son verdict ce qui rend extrêmement difficile toute tentative de faire réviser ses décisions par une instance judiciaire.

Ce sont là des paroles assez catégoriques, je suppose, mais nous les avons bien pesées. Nous vous déclarons sans hésitation que l'activité de cette Commission manitobaine constitue un affront pour l'administration de la justice. Et si elle cause bien de l'anxiété et de la frustration aux avocats, imaginez donc les conséquences tragiques de ses décisions pour les prestataires en conflit avec les services de bien-être social.

A notre avis, le gouvernement fédéral devrait, dans le cadre du RAPC, prendre des mesures propres à éviter les variations excessives dans la qualité des jugements que rendent les commissions d'appel. Nous avons déjà proposé, comme solution possible, de prévoir la nomination de prestataires comme membres des commissions. On pourrait également charger un organisme indépendant de procéder aux nominations ou imposer qu'un certain nombre de membres aient une formation juridique, ou encore prévoir une procédure de révision judiciaire plus libérale ou un meilleur système d'appel. Quoi qu'il en soit, si on n'apporte pas des changements bientôt, au moins dans la province du Manitoba, le droit d'appel prévu dans le Régime d'assistance publique du Canada n'aura plus aucune valeur du tout.

Permettez-moi maintenant de vous exposer quelques-uns des problèmes de procédure auxquels les prestataires du bien-être social sont confrontés au Manitoba. La province a récemment modifié la loi pour établir le droit d'être représenté et d'être informé de ce droit. Un an après l'adoption des mesures législatives en question, cette disposition n'est pas respectée, en ce qui concerne la ville de Winnipeg au moins, et les gens ne



*[Texte]*

are not being so informed. Previously people were provided with appeal forms, which is a simple form to fill out, but with the decision to refuse or cancel social allowance, it now appears that the appellant is on his or her own to obtain the Notice of Appeal and to file it. We feel that this is causing some hardships and some difficulties for people who are not easily able in many cases to draft notices of appeal. We discuss the procedure which is followed by the appeal board, which basically requires no transcript, and there are no powers of subpoena, no rules of evidence. It is a form of legal chaos. The result of that of course is that it is extremely difficult to challenge a decision which is made by the appeal board in such a manner.

There is a couple of areas relating to the appeal process wherein we feel that the CAP requirement for providing basic necessities has been breached. The first situation relates to over-payments which I have alluded to; that is to say, even when there has been a departmental error, which has happened on a number of occasions, so that the person is slightly over-paid, then up to 5 per cent of monthly allowance is deducted from the assistance payment directly. This action leaves the client with less than the amount which, by government regulation, has been determined to be the amount they need for basic necessities of life. The second area relates directly to the appeal procedure and is this: When a decision is made to terminate or to vary assistance and an appeal is filed, there is nothing in law at least in Manitoba which provides interim assistance to the person who is having their appeal prosecuted. And so of course while the board makes efforts to hear cases quickly, the fact is that while a hearing is pending and pending an appeal from that hearing, and further judicial proceedings, the person is without any assistance. We refer our clients when they are provincial recipients to the city and vice versa, but it is a real shell game; we have never had very good success in getting a person restored pending an appeal which may in the end, of course, restore the person's social allowance. But in the meantime, what are they supposed to do?

• 1130

I would point out that this causes an incredible hardship and it also causes great pressure on the appellant to discontinue, to abandon, the appeal and to make an admission to the welfare authorities that, indeed, the allegations are true. We have had clients who have been forced to go down to a welfare office pending an appeal which we had taken as counsel on their behalf, and simply admit to the allegation although believing in their heart of hearts that the allegation was false. The admissions were made, of course, in order that they could get money to pay the rent and to provide food on the table for themselves and their children. And that I think is a shocking situation.

We describe for you the statutory appeal procedure from the appeal board, which in Manitoba is to the Manitoba Court of Appeal. There is a real problem with that because the appeals are on law or jurisdiction, and you have to get leave to appeal

*[Traduction]*

sont pas informés de leur droit. Auparavant, les demandeurs qui se voyaient refuser ou annuler une allocation recevaient, en même temps que la décision des services de bien-être, une formule d'appel relativement facile à remplir. Les gens n'en reçoivent plus maintenant et ceux qui désirent interjeter appel doivent s'occuper eux-mêmes d'obtenir et de présenter la formule. Cela cause des difficultés car beaucoup de ces gens ne sont pas en mesure de rédiger eux-mêmes un avis d'appel. Nous examinons dans notre mémoire la façon de procéder de la Commission d'appel: le plus souvent, il n'y a pas de procès-verbal, les avocats ne peuvent pas citer des témoins à comparaître et on n'observe pas les règles de la preuve. Juridiquement parlant, c'est un vrai chaos. On peut comprendre dans ces conditions qu'il soit extrêmement difficile d'en appeler d'une décision de la Commission d'appel.

Il y a par ailleurs deux situations dans lesquelles, à notre avis, les dispositions du RAPC relatives aux besoins de base ne sont pas respectées. D'abord, les trop-perçus: lorsque les services de bien-être social font une erreur, ce qui arrive à l'occasion, qui fait qu'un bénéficiaire reçoit des prestations légèrement trop élevées, ils déduisent pour se rembourser jusqu'à 5 p. 100 de l'allocation mensuelle. Le prestataire obtient donc, pendant une certaine période, un montant inférieur à ce que le gouvernement lui-même a fixé comme minimum nécessaire à la subsistance. Le second problème est directement lié à la procédure d'appel: lorsque les services de bien-être réduisent ou annulent une prestation et que la personne concernée interjette appel, elle ne reçoit aucune aide provisoire pendant que l'appel est entendu. Bien sûr, la Commission tente de régler les cas qui lui sont présentés le plus rapidement possible, mais la personne touchée n'obtient aucune aide dans l'intervalle. Nous essayons de renvoyer aux services municipaux nos clients qui reçoivent de l'aide provinciale, et vice-versa. C'est une vraie farce. Nous n'avons pas souvent réussi à faire rétablir les prestations d'un bénéficiaire pendant l'audition de son appel qui peut, bien sûr, aboutir à la restitution des prestations. Mais qu'est-ce que ces gens doivent faire dans l'intervalle?

Cette situation cause d'énormes difficultés. Elle pousse aussi les appelants à renoncer à leur appel et à reconnaître fausement certaines choses devant les autorités du bien-être social. Nous avons vu certains de nos clients aller au bureau du bien-être pendant l'audition d'un appel que nous défendions, pour reconnaître des allégations qu'ils savaient fausses, en leur âme et conscience. Ils l'ont fait pour obtenir de l'argent tout de suite, afin de payer le loyer et de nourrir leurs enfants. C'est là, à notre avis, une situation déplorable.

Notre mémoire traite ensuite de la procédure d'appel contre les décisions de la Commission d'appel. Au Manitoba, ces causes sont entendues par la Cour d'appel de la province. Et cela cause un problème réel car les appels doivent porter sur le

*[Text]*

from a judge of the Court of Appeal and, in the event that you should get leave, you then have to set your appeal down for a hearing before the full Court of Appeal, and we are talking about a period of months. Unfortunately that is just not a satisfactory method in many cases of resolving an issue, when the basic necessities of life are the subject of the appeal. So we are suggesting that at least for the province, I suppose, there must be some better way; perhaps also from the point of view of the federal government, in the minimum standards it lays down under CAP, there needs to be some recognition that not only should there be an appeal procedure, but there should be a meaningful and effective appeal procedure.

Experience has shown that unless the senior government undertakes to ensure that the minimum standards in CAP are met, the courts simply are reluctant to intervene. And one of the cases which I was referring to, that of Mitchell versus the Government of Canada, 1975 decision, the Federal Court of Canada declined to grant a declaration on an application before it that the federal government had failed to enforce the Canada-B.C. Agreement with respect to establishing an appeal procedure as contemplated by the plan and the agreement. I believe the facts there were that the Province of British Columbia was several years late in establishing anything—anything at all—by way of an appeal procedure. And that was an unsuccessful court application.

Given this tendency, it is our opinion that there is an obligation on the federal authorities to strengthen the minimum standards with respect to appeals, and to monitor the area to ensure that what is being done provincially in fact meets the expectations and the underlying philosophy of Section 6 of the Canada Assistance Plan. Thank you very much.

**The Chairman:** Thank you. I wonder if I could ask Mr. Michael Mendelson of our staff to clarify two things about the testimony. First of all, there is the question of loans by municipalities. Can this qualify under CAP funding? And second, does the Canada assistance Plan Act itself say anything about appeals? Does this have any kind of federal jurisdiction at all?

**Mr. Michael Mendelson (Committee Researcher):** On the second question, yes, the Canada Assistance Plan makes an appeal system mandatory. In the act, it says that a province has to have an appeals system. What the delegation has been pointing out is that it may be very difficult for a citizen to get the province, or get the federal government, to enforce the requirements that are apparently stated in the act. Of course I am not a lawyer so I have a tendency to interpret statutes on their face value, rather than in the more arcane ways that lawyers may. So it seems to me in my understanding of the Canada Assistance Plan that it does make appeal system mandatory.

**The Chairman:** But provide what kind of appeal? It just says there shall be an appeal provision?

**Mr. Mendelson:** It does not provide the details as to what that appeal system should be no. I can read the specific section of the act if you wish, or I will show to you.

*[Translation]*

droit ou la juridiction. Il faut d'abord obtenir la permission d'un juge de la Cour et, si on a réussi à l'obtenir, il faut attendre l'audience pendant des mois. Nous estimons que, dans bien des cas, ce n'est pas un moyen satisfaisant de résoudre le problème puisque ce sont les besoins de base d'une personne ou d'une famille qui sont en jeu. Du moins pour le Manitoba, il devrait y avoir un meilleur moyen de procéder. En ce qui concerne le gouvernement fédéral et les normes minimales qu'il prescrit dans le cadre du RAPC, il conviendrait de reconnaître qu'il faut établir non pas n'importe quelle procédure d'appel, mais une procédure d'appel sérieuse et efficace.

Nous savons par expérience que si le palier supérieur de gouvernement ne prend pas les mesures nécessaires pour faire respecter les normes minimales prévues dans le RAPC, les tribunaux répuent à intervenir. Dans l'un des cas que j'ai mentionnés, celui de Mitchell contre le gouvernement du Canada, 1975, la Cour fédérale a refusé de faire droit à une demande établissant qu'Ottawa n'avait pas fait respecter les dispositions de l'accord conclu entre le Canada et la Colombie-Britannique relativement à la procédure d'appel prévue par le RAPC. Dans ce cas, plusieurs années s'étaient écoulées sans que la province prenne la moindre mesure visant à mettre sur pied une procédure d'appel. Et malgré cela, la Cour fédérale a rejeté la demande.

Compte tenu de cette tendance, nous croyons qu'il incombe aux autorités fédérales de renforcer les normes minimales en ce qui concerne les appels et de veiller à ce que les mesures prises par les provinces à cet égard correspondent tant à la lettre qu'à l'esprit de l'article 6 du Régime d'assistance publique du Canada. Je vous remercie de votre attention.

**Le président:** Merci à vous. Je voudrais demander à M. Michael Mendelson, de notre personnel, d'éclaircir deux points du témoignage que nous venons d'entendre. Il y a d'abord la question des prêts accordés par les municipalités. Est-ce que les montants consentis seraient admissibles en vertu du RAPC? D'autre part, est-ce que la loi établissant le Régime d'assistance publique du Canada prévoit une procédure d'appel? Le gouvernement fédéral a-t-il une compétence quelconque à cet égard?

**M. Michael Mendelson (rechercheur du Comité):** En ce qui concerne la seconde question, ou, le RAPC impose l'établissement d'une procédure d'appel dans chaque province. La délégation nous signale cependant qu'il semble être extrêmement difficile pour un citoyen d'amener une province ou le gouvernement fédéral à respecter les dispositions de la loi. Bien sûr, je ne suis pas avocat et j'ai donc tendance à interpréter la loi d'une façon plus directe que les experts en questions juridiques. Quoi qu'il en soit, je crois que le RAPC impose aux provinces de mettre sur pied une procédure d'appel.

**Le président:** Quel genre de procédure d'appel? La loi dit-elle simplement qu'il faut prévoir des modalités d'appel?

**M. Mendelson:** Il n'y a pas de détails à ce sujet. Si vous voulez, je pourrai vous lire ou vous montrer l'article en question de la loi.



[Texte]

On the first question, I believe, although the delegation will know better than I do, that the Canada Assistance Plan does not allow for the cost-sharing of loans. The federal government under the Canada Assistance Plan does not have the legal ability to cost-share payments that are made as loans. Therefore I suspect that the question of whether or not municipal assistance is given as a loan is probably either under discussion between the Canada Assistance Plan and the Manitoba government, or is being interpreted differently by the Canada Assistance Plan directorate. I believe that under the social allowance act it is not a loan, but under the municipal act there may be the ability to interpret it as a loan. It has been a while since I have looked at the Manitoba statutes however, so I am not altogether certain of that. But if it is a loan and it is clearly seen as a loan, then the federal government does not have the legal ability under the Canada Assistance Plan to cost share those loans. The delegation would probably be able to correct me if I am wrong.

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**Mr. Peltz:** What we are alluding to is the fact that under the Manitoba municipal act—I can find the section if you wish—all municipal assistance is expressly stated to be a debt, so that from the moment you get your first penny, that is money owing to the municipality and there are various methods for collection of that: Sometimes the municipality proceeds to collect later on and sometimes it does not. Our interpretation of that legislation is that you are not receiving a grant, you are entering into a creditor-debtor relationship with the municipality.

**The Chairman:** You realize that we cannot do anything about that per se. The only thing we can do is modify the Canada Assistance Plan which is a federal act, a federal statute, but my understanding is that the Canada Assistance Plan does not provide for share costing of loans, which means that either the provincial government or the municipal government in Manitoba would be doing that on their own, that there would be no federal cost sharing. That is my understanding.

**Mr. Peltz:** The fact is that there is federal cost sharing which is precisely why we are bringing it to this committee's attention. There is a cost sharing between the federal government and the province and in turn, the province is cost sharing with the municipalities.

**The Chairman:** You are saying then, Mr. Mendelson, that the act does provide for cost sharing of loans?

**Mr. Mendelson:** It is the problem of enforcement, Mr. Chairman, which the delegation is bringing to your attention. The act does not allow for costsharing of loans. There is assistance being granted by the municipalities in Manitoba which this delegation is interpreting as a loan under the municipal act. I am not certain, although I will have to provide . . .

**The Chairman:** That means the people administering the Canada Assistance Plan in Ottawa must interpret it not to be a loan too.

[Traduction]

En ce qui concerne la première question, je crois—mais la délégation en sait certainement plus que moi à ce sujet—que le RAPC ne permet pas le partage des frais dans le cas des prêts. Le gouvernement fédéral n'est pas habilité à financer des paiements consentis à titre de prêts. Il est donc probable, à mon avis, que la question de l'aide municipale fait l'objet de discussions entre les autorités du RAPC et le gouvernement du Manitoba, ou encore est interprétée différemment par la Direction générale du RAPC. Je pense qu'il ne s'agit pas de prêts dans le cadre de la loi manitobaine sur les prestations sociales, mais qu'on pourrait considérer les paiements comme tels en vertu de la loi sur les municipalités. Cela fait un certain temps que j'ai examiné les Statuts du Manitoba, il se pourrait donc que je me trompe. Mais s'il s'agit clairement de prêts, alors le gouvernement fédéral n'est pas habilité, en vertu du Régime d'assistance publique du Canada, à en partager les frais. Les membres de la délégation me corrigeront si je me trompe.

**M. Peltz:** Nous faisons allusion au fait qu'en vertu de la loi sur les municipalités du Manitoba—et je pourrai vous trouver l'article si vous le voulez—toute l'aide municipale est expressément considérée comme une dette pour le bénéficiaire. Toute prestation versée est due à la municipalité qui a recours à diverses méthodes de recouvrement. Il arrive qu'elle cherche à se faire rembourser, comme il arrive aussi qu'elle ne le fasse pas. D'après notre interprétation de la loi, les bénéficiaires ne reçoivent pas une subvention, ils deviennent en fait les débiteurs de la municipalité.

**Le président:** Vous vous rendez sûrement compte que nous ne pouvons rien à cela. La seule chose que nous puissions faire, c'est de recommander la modification du Régime d'assistance publique du Canada qui est une loi fédérale. Je crois comprendre cependant que le Régime ne prévoit aucun partage des frais dans le cas des prêts. En d'autres termes, si le gouvernement provincial ou les administrations municipales du Manitoba font cela de leur propre initiative, le gouvernement fédéral ne peut en partager les frais. Voilà comment je vois les choses.

**M. Peltz:** Pourtant, le gouvernement fédéral partage bel et bien ces frais et c'est pourquoi nous portons cette question à l'attention du Comité. Il y a partage des frais entre le gouvernement fédéral et la province qui, à son tour, partage les frais avec les municipalités.

**Le président:** Vous dites donc, monsieur Mendelson, que la loi permet le partage des frais dans le cas des prêts?

**M. Mendelson:** Non, monsieur le Président. La délégation attire l'attention du Comité sur un problème d'application de la loi. Le RAPC ne permet pas le partage des frais dans le cas des prêts. Les municipalités du Manitoba accordent une aide que la délégation considère comme étant une forme de prêt en vertu de la loi sur les municipalités. Je ne suis pas certain, mais peut-être devrais-je . . .

**Le Président:** Cela veut dire que les administrateurs du Régime d'assistance publique du Canada à Ottawa ne considèrent pas non plus ces paiements comme des prêts.



[Text]

**Mr. Mendelson:** I suspect that you are right, that there is a question of interpretation and there are differences of interpretation here.

**The Chairman:** Could you try to get us a note on that?

**Mr. Mendelson:** I will.

**The Chairman:** Give us their version of how they can interpret that to be other than a loan?

**Mr. Mendelson:** I believe there were some discussions, Mr. Chairman, at some point, if my memory is correct, three or four years ago between the province and the CAP directorate on this very question so I will get you a note. While I have the floor, I will just correct one small point so that it is on the record. The Canada Assistance Plan contributions from the federal government in 1978-79 were closer to \$60 million than to \$10 million, about six times as much as was stated.

**Mr. Peltz:** In Manitoba?

**Mr. Mendelson:** In Manitoba, yes.

**Mr. Blenkarn:** I was wondering if you could go over with us briefly the Manitoba method of delivering what is sometimes called municipal welfare. Does the municipality pay a portion of that welfare as part of the provincial 50 per cent in this province?

**Mr. Peltz:** I am not sure of the details. There is a section in the Manitoba social allowances act which establishes a formula between the municipality and the province and I think there is a billing system that goes on between municipality and province and then in turn the monies are claimed under the Manitoba-Canada agreements.

**Mr. Blenkarn:** One of the arrangements in my Province of Ontario is that for this type of welfare assistance approximately 20 per cent is paid by the municipality, 30 per cent is paid by the province and 50 per cent is paid under the CAP agreement, and I was wondering to what extent that ratio applied with respect to the municipalities in Manitoba. Do the municipalities, out of their general property revenue and other grants that they receive from the province, actually superintend the delivery of welfare to recipients within their municipalities?

**Mr. Peltz:** I am not sure what the percentages are. It is not something that we deal with so I cannot give you an answer, I would have to read through the section. I think there are other people who could probably give you the details.

**Mr. Blenkarn:** On long-term assistance for example, women on mother's allowance arrangement, looking after kiddies, deserted wives and so on, is that done on a provincial basis or a municipal basis?

**Mr. Peltz:** Provincial.

**Mr. Blenkarn:** So that it is only short-term welfare or short-term welfare or short-term assistance, that is given on a municipal basis?

[Translation]

**M. Mendelson:** Je pense que vous avez raison. Il semble s'agir d'une différence d'interprétation.

**Le président:** Pouvez-vous nous obtenir des renseignements à ce sujet?

**M. Mendelson:** Bien sûr, monsieur le Président.

**Le président:** Vous nous expliquerez comment on peut considérer ces paiements comme autre chose que des prêts.

**M. Mendelson:** Je pense me souvenir qu'il y a eu des discussions à ce sujet il y a trois ou quatre ans entre la province et la Direction générale du RAPC. Je vous procurerai des renseignements à cet égard, monsieur le Président. Permettez-moi, par ailleurs, de faire une petite mise au point. En 1978-1979, la contribution versée par le gouvernement fédéral dans le cadre du Régime d'assistance publique du Canada était plus proche de 60 millions de dollars que de 10 millions. Elle était donc près de six fois supérieure au montant mentionné par la délégation.

**M. Peltz:** Au Manitoba?

**M. Mendelson:** C'est bien cela.

**M. Blenkarn:** Je voudrais revoir brièvement avec vous la façon dont le Manitoba s'y prend pour financer les services municipaux de bien-être social. Est-ce que les municipalités paient une partie de la part provinciale de 50 p. 100?

**M. Peltz:** Je ne suis pas certain des détails. L'un des articles de la loi manitobaine sur les prestations sociales établit une formule de partage entre les municipalités et la province et il y a un système de facturation. Ensuite, le province réclame sa part du gouvernement fédéral en vertu des ententes Canada-Manitoba.

**M. Blenkarn:** Dans ma province d'Ontario, ce genre de bien-être social est financé à près de 20 p. 100 par les municipalités, à 30 p. 100 par la province et à 50 p. 100 par le gouvernement fédéral, dans le cadre du Régime d'assistance publique du Canada. Est-ce que ces proportions sont les mêmes au Manitoba? Est-ce que les municipalités financent les prestations de bien-être social versées dans leur territoire en puisant dans les impôts fonciers qu'elles perçoivent et les subventions que leur verse la province?

**M. Peltz:** Je ne connais pas les pourcentages. Ce n'est pas une question dont nous nous occupons d'ordinaire et je ne suis donc pas en mesure de vous répondre. Il me faudrait consulter les dispositions pertinentes de la loi. Il est possible que d'autres membres de la délégation puissent vous donner plus de précisions.

**M. Blenkarn:** Est-ce que l'aide à long terme—par exemple aux mères nécessiteuses, aux femmes abandonnées, etc.—relève de la province ou des municipalités?

**M. Peltz:** Elle relève de la province.

**M. Blenkarn:** Les municipalités ne s'occupent donc que de l'aide à court terme?

[Texte]

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**Ms. Sheila Rogers (Vice-President, Legal Aid Lawyers Association):** Yes. That is correct.

**Mr. Blenkarn:** And do municipalities have their own welfare officers?

**Ms. Rogers:** Each municipality has set up its own municipal by-laws to provide welfare assistance. I believe most of the municipalities in Manitoba have in fact done this.

**Mr. Blenkarn:** What happens in unorganized municipalities? Is that handled directly by the province?

**Mr. Peltz:** I think so, but again, we have some trouble with some of the administrative questions.

**Mr. Blenkarn:** You brought to our attention the number of appeals, and I suspect the detail of that is in the schedule you have in your brief. Is that correct?

**Mr. Peltz:** Right.

**Mr. Blenkarn:** Are these appeals to the Appeal Board? they are not appeals to the Court of Appeal, are they?

**Ms. Rogers:** No, the Appeal Board.

**Mr. Blenkarn:** Is there just one Appeal Board for the entire province?

**Ms. Rogers:** There is one Appeal Board. It is constituted of several members and there are several rural members. They sit in rural areas as well.

**Mr. Blenkarn:** Appointment to the Appeal Board is a part-time appointment, I presume, in certain areas.

**Ms. Rogers:** I believe they also have other duties. They act in an advisory capacity as well, I believe.

**Mr. Blenkarn:** If you had a welfare appeal in Brandon, for example, would it be a Brandon board which would look at it?

**Ms. Rogers:** I believe it would be Brandon members . . .

**Mr. Blenkarn:** Or would people from Winnipeg go out to Brandon? How would that work?

**Ms. Rogers:** Some of the Winnipeg board members travel within a certain radius of Winnipeg. I believe those who sit in Brandon are Brandon members.

**Mr. Blenkarn:** You have been very highly critical of the board. I was just wondering what kind of a board it was. Is it a five-man board or just people appointed at random throughout the province to sit on the board, much like umpires under the Unemployment Insurance Act?

**Ms. Rogers:** If I recall correctly from the annual report, I believe 15 members were appointed throughout the province, and they are supposed to be representative of the different areas in the province. But our experience, of course, is generally with the City of Winnipeg.

**Mr. Blenkarn:** All right. How many members of the board sit on an appeal?

**Ms. Rogers:** Three. There are a chairperson and two members. A secretary is also present at the same time.

[Traduction]

**Mme Sheila Rogers (vice-présidente, Association des avocats de l'aide juridique):** Oui, c'est bien cela.

**M. Blenkarn:** Les municipalités ont-elles leurs propres agents de bien-être social?

**Mme Rogers:** Chaque municipalité a ses propres règlements sur l'assistance sociale. Je pense que la plupart des municipalités du Manitoba en ont.

**M. Blenkarn:** Et qu'en est-il des municipalités non constituées? Est-ce que la province s'y occupe directement du bien-être social?

**M. Peltz:** Je le pense, mais je ne suis pas tout à fait familiarisé avec ces questions administratives.

**M. Blenkarn:** Vous attirez notre attention sur le nombre des appels. Les chiffres se trouvent dans l'annexe à votre mémoire. C'est exact?

**M. Peltz:** Oui.

**M. Blenkarn:** S'agit-il d'appels auprès de la Commission d'appel ou de la Cour d'appel?

**Mme Rogers:** Auprès de la Commission d'appel.

**M. Blenkarn:** Y en a-t-il juste une seule pour toute la province?

**Mme Rogers:** C'est exact. Elle compte un certain nombre de membres dont plusieurs siègent dans des régions rurales.

**M. Blenkarn:** Je suppose que les nominations à la Commission d'appel sont à temps partiel dans certaines régions?

**Mme Rogers:** Je pense que les membres ont également d'autres responsabilités, des fonctions consultatives par exemple.

**M. Blenkarn:** Si un prestataire de Brandon interjette appel, son cas est-il examiné par la Commission de Brandon?

**Mme Rogers:** Il est examiné, je crois, par les membres de Brandon.

**M. Blenkarn:** Est-ce que des membres de Winnipeg peuvent aller à Brandon? Comment le système fonctionne-t-il?

**Mme Rogers:** Certains des membres de Winnipeg voyagent dans un certain rayon de la ville. Je crois cependant que ce sont les membres de Brandon qui examinent les appels présentés à Brandon.

**M. Blenkarn:** Vous avez sévèrement critiqué la Commission. Je voudrais en connaître la structure. S'agit-il d'un groupe de cinq personnes ou de gens choisis au hasard à travers la province comme dans le cas des arbitres désignés en vertu de la loi sur l'assurance-chômage?

**Mme Rogers:** Je crois me souvenir, d'après le rapport annuel, que la Commission compte quinze membres qui sont censés représenter les diverses régions de la province. Mais, en général, nous ne connaissons bien que ce qui se passe à Winnipeg.

**M. Blenkarn:** Très bien. Combien de membres de la Commission s'occupent d'un appel?

**Mme Rogers:** Trois, un président et deux membres. Un secrétaire assiste également aux audiences.



[Text]

**Mr. Blenkarn:** Are the hearings much like the kind of hearings held under the Unemployment Insurance Act by umpires under that act for people who are denied UIC or who are penalized for being overpaid so that the UIC proceeds to collect it back from them and so on?

**Mr. Peltz:** I think the procedure is most closely akin to the board of referees stage of UIC hearings. It is a useful comparison in a sense, because from an unemployment insurance hearing before a board of referees the first level of appeal is an appeal to an umpire, who is a Federal Court judge but who sits persona designata, really, as an administrative tribunal, and then you have a further appeal to the courts; whereas in the welfare situation you have one step to the Appeal Board and after that, in Manitoba, you have to go to the Manitoba Court of Appeal, which is the highest court in the province.

**Mr. Blenkarn:** In other words it is as if I go to a board of referees, which is basically three lay people—and in the UIC there is no swearing in of evidence, no transcripts are taken, usually. If I recall, it is an around-the-table type of thing, where we discuss it and how it is treated depends on the attitude of the board members.

**Mr. Peltz:** I think that you are right about the absence of subpoena powers. There is a transcript. I do a fair number of UIC appeals and a tape recording is kept, so if there is to be an appeal or judicial review a transcript of the hearing can be prepared.

**Mr. Blenkarn:** Then aside from the transcript, they are much the same as a UIC hearing in this province.

**Mr. Peltz:** There is one glaring difference which I suppose has to be noted, and it is that under the unemployment insurance legislation, one person is to be drawn from a list representing groups of employers and one from employees, and one is a neutral chairman. In a sense that is what we have suggested, although not necessarily thinking of the UIC example. But there certainly is a safeguard there.

**Mr. Blenkarn:** Are 320 appeals last year the total number of appeals for the whole province?

**Mr. Peltz:** Right.

**Ms. Rogers:** I believe that may be against provincial assistance only. In the report I had, I think it referred specifically to provincial social allowance payments, not municipalities.

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**Mr. Blenkarn:** Well, you have had a steady decrease in the number of appeals. I see in 1975 it was 383, but there was no massive increase in the number of appeals or anything.

**Ms. Rogers:** Since 1970, however, there has been—there was a high in 1972 of 933.

**Mr. Blenkarn:** Yes, I see that, but would that be because the system of appeal and procedure was relatively new, starting somewhere in the early 1970s...

[Translation]

**M. Blenkarn:** Les audiences ressemblent-elles à celle que tiennent des juges-arbitres en vertu de la loi sur l'assurance-chômage quand des gens se voient refuser des prestations ou sont sommés de rembourser un trop-perçu?

**M. Peltz:** Je pense que la procédure se rapproche davantage de celle du conseil arbitral de l'assurance-chômage. Cette comparaison est utile en un sens car après l'audience du conseil arbitral, il y a un premier palier d'appel auprès d'un juge arbitre, qui est un magistrat fédéral jouant le rôle de tribunal administratif. Il y a ensuite un second palier d'appel auprès des tribunaux. Dans le cas du bien-être social, il y a une seule étape, la Commission d'appel, suivie par la Cour d'appel du Manitoba qui est le tribunal de dernière instance de toute la province.

**M. Blenkarn:** En d'autres termes, c'est comme si on se présentait devant un conseil arbitral composé en définitive de trois profanes. Dans le cas de l'assurance-chômage, il n'y a habituellement ni prestation de serment, ni procès-verbal. Si je m'en souviens, il s'agit d'une réunion assez informelle dont les résultats dépendent de l'attitude des arbitres.

**M. Peltz:** Je crois que vous avez raison, on ne peut pas citer de témoins à comparaître. On peut cependant obtenir un procès-verbal. Je me suis occupé d'un grand nombre d'appels relatifs à l'assurance-chômage et je crois savoir qu'on conserve un enregistrement magnétique des délibérations. Ainsi, en cas d'appel ou de révision judiciaire, il est toujours possible de faire établir le procès-verbal.

**M. Blenkarn:** Par conséquent, à part le procès-verbal, les audiences de la Commission d'appel du Manitoba ressemblent beaucoup à celles de l'assurance-chômage?

**M. Peltz:** Il y a, à mon avis, une différence fort importante. Dans le cas de l'assurance-chômage, un arbitre est choisi dans une liste d'employeurs, un autre dans une liste de salariés et le troisième est un indépendant qui préside le conseil. En un sens, c'est ce système que nous proposons d'adopter dans le domaine du bien-être social, bien que nous n'ayons pas pensé à cette analogie. Il n'en demeure pas moins que cette façon de choisir les membres du conseil arbitral assure une certaine équité.

**M. Blenkarn:** Les 320 appels de l'année dernière représentent-ils le nombre total d'appels pour toute la province?

**M. Peltz:** C'est bien cela.

**Mme Rogers:** Je pense qu'il s'agit uniquement d'appels contre des décisions provinciales. Le rapport que j'ai consulté mentionnait les prestations provinciales, à l'exclusion de l'aide municipale.

**M. Blenkarn:** Je constate que le nombre d'appels a régulièrement diminué. En 1975, vous en aviez 383, mais il n'y a ni augmentation considérable ni autre chose de ce genre.

**Mme Rogers:** Si on considère les chiffres depuis 1970, on peut voir qu'il y a une pointe de 933 appels en 1972.

**M. Blenkarn:** Oui, mais cela n'était-il pas dû au fait que la procédure d'appel venait d'être mise sur pied au début des années 70...



[Texte]

**Ms. Rogers:** Yes.

**Mr. Blenkarn:** . . . and there was no jurisprudence or general understanding of how appeals would be heard and so on and that resulted in a great number of cases coming up early which would require some evidence of disposition. Then after roughly 1975-76 there seems to be approximately the same number of appeals. I see there is a huge increase in 1978, but generally speaking there is not much difference in those last numbers of years.

**Ms. Rogers:** That is correct.

**Mr. Blenkarn:** Roughly the same number are dismissed every year. In the last couple of years you have not had as many allowed, but in 1978 and 1977 the same number approximately was allowed as in 1976.

I wonder what your real basis for attacking the board was, in view of the fact that you are appearing before this board all the time. In your statistics over the last half dozen years there does not seem to be any massive change in the attitudes of the board.

**Mr. Peltz:** I think what the statistics will show you is that for the last two years there has been a decline, so it is about one appeal allowed for every three dismissed. In previous years that ratio has been about one to two, or in some cases more appeals have been allowed than granted. All we are saying is that if you add up the numbers, there is, under the present appeal board, what we feel is a fairly significant drop in the success rate of appeals, and in our experience—and of course we do not act on all 320 appeals; far from it; perhaps we should, but we do not—we are saying this is what we are seeing in the cases we do appear on, where it is extremely difficult ever to win an appeal.

**Mr. Blenkarn:** On a number of decisions and percentages, for your information, in 1974 44 per cent of appeals were allowed; in 1975, 39.7 per cent; in 1976, 34.1; and in 1977, 33.3. You are quite right, in the last two years it has been down to 26.5 per cent in the last year and 25.4 in the previous year, in decisions as against decisions allowed. Obviously appeals withdrawn, those which did not appear, and others do not really count in the total.

**The Chairman:** Mr. Weatherhead.

**Mr. Weatherhead:** Thank you, Mr. Chairman. I think the witnesses should be congratulated for bringing this brief before us. In listening to groups around the country we have been listening mainly to the social service groups directly involved in giving the services under the CAP programs. We have learned a lot about the excellent services; perhaps the need to extend the services somewhat. But we really have not had a presentation like this before, on some of the difficulties, at least in Manitoba—but I would presume probably not just in Manitoba—in the general standards which are in the CAP agreement but which may or may not be enforced very adequately or which may be too vague to be enforced very adequately. Some of us around the table, including myself, are lawyers, and perhaps we have a bit more interest in some of these things than others. So that may not necessarily follow.

[Traduction]

**Mme Rogers:** Oui.

**M. Blenkarn:** . . . et qu'il n'y avait ni jurisprudence ni connaissance générale des modalités d'audition des appels? Cela a pu provoquer la pointe en question. Ensuite, depuis 1975-1976, le nombre des appels est resté plus ou moins stable. Je constate une augmentation considérable en 1978, mais il n'y a pas en général de grands écarts pour les dernières années.

**Mme Rogers:** C'est exact.

**M. Blenkarn:** En gros, le nombre d'appels rejetés tous les ans est constant. Au cours des deux dernières années, le nombre d'appels reçus a baissé, mais en 1977 et en 1978, ce nombre était pratiquement le même qu'en 1976.

Je me demande pourquoi vous vous attaquez à cette Commission devant laquelle vous vous présentez régulièrement. Vos statistiques des cinq ou six dernières années ne dénotent pas du tout un changement d'attitude radical de la part de la Commission.

**M. Peltz:** Les statistiques montrent, je pense, qu'il y a eu une baisse du taux de succès des appels au cours des deux dernières années puisque la Commission n'a fait droit en moyenne qu'à un appel sur quatre. Les années précédentes, ce rapport était de un sur trois et, dans certains cas, il y avait eu plus d'appels reçus que rejetés. Tout ce que nous disons, c'est que les chiffres suggèrent une baisse significative du taux de succès des appels examinés par la Commission actuelle. Bien sûr, nous ne nous sommes pas occupés des 320 appels de l'année dernière, loin de là, mais nous avons pu constater qu'il nous est extrêmement difficile de gagner ne serait-ce qu'un seul appel.

**M. Blenkarn:** Voici les pourcentages de succès des appels: 44 p. 100 en 1974, 39.7 p. 100 en 1975, 34.1 p. 100 en 1976 et 33.3 p. 100 en 1977. Vous avez bien raison, les chiffres ont beaucoup baissé les deux dernières années: 26.5 p. 100 en 1979 et 25.4 p. 100 l'année précédente. De toute évidence, les appels retirés ne comptent pas vraiment dans le total.

**Le président:** A vous, monsieur Weatherhead.

**M. Weatherhead:** Merci, monsieur le Président. Je pense que les témoins méritent des félicitations pour leur mémoire. Au cours de notre tournée au Canada, nous avons surtout entendu des groupes qui s'occupent directement des services sociaux assurés dans le cadre du RAPC. Nous en avons beaucoup appris sur ces excellents services et peut-être aussi sur la nécessité d'en développer certains. Mais c'est la première fois qu'on nous parle des difficultés rencontrées au Manitoba—et ailleurs aussi sans doute—dans l'application des normes du Régime d'assistance publique du Canada. Peut-être ces normes sont-elles trop vagues pour être appliquées adéquatement. Le Comité compte parmi ses membres quelques avocats—dont moi-même—qui s'intéressent peut-être plus que les autres à ces questions. Mais ce n'est pas nécessairement le cas.

[Text]

• 1150

On your first point on page 8, the problem of the requirement to provide financial aid to every person in need in the province in an amount which takes into account his basic requirements, you say this has been delegated to the municipalities in many cases, and you go on to say you cannot successfully challenge that in the courts here, even though there have been some challenges, because it has been ruled that the individual welfare recipient is not party to the contract or that sort of thing. Is that the case?

**Mr. Peltz:** Exactly; and you can see, going back for a minute to some of the previous comments, if, for example, we were correct in saying that loans were being given out rather than grants or assistance, and if we were correct in our assumption that this was illegal—that is, that public money was being misspent en masse in the municipalities in Manitoba—it would appear, on the court interpretations we have had, that no citizen can stop the illegal spending of public money. Taxpayer or otherwise, no person can stop it unless the Manitoba government or the federal government decides to make it an issue; and they may not want to. I think that is a very sad situation.

I am not aware of the details, but I understand there is another case in the Federal Court which may deal with some of these alleged breaches of standards.

**Mr. Weatherhead:** The other main point, I guess, was the appeal procedures, which seem quite technical, I guess, to a lot of people, but which are very important in any sort of judicial or quasi-judicial system. You have talked about the fluctuations in the types of results you have had over the years, which may or may not be politically based, in some regards. But you also say, I guess, that it is really in a very, very casual and ad hoc manner that some of these appeals are heard. Mr. Blenkarn was referring to perhaps the appeals under the UIC and the referee system there, but as you stated, at least there is some regard there to having two different sides represented in a general way, plus an independent chairman. Do you really think, though, the federal government should be able to or should have to get into a very detailed setting out of how these appeal tribunals should be set up, and the type of procedures there, and everything? Do you think that really is essential for fair justice in this case?

**Mr. Peltz:** Well, I do not think we are suggesting the federal government should dictate the minute detail of Provincial Appeal Board procedures. That is something for the provincial government and our courts, I suppose, if it comes down to that. The point we are making is that the concept under CAP is that there shall be an appeal procedure, and there is a rationale for that which everyone around this table would agree with. We are saying that in some cases it is not a meaningful appeal procedure, therefore the people involved with CAP have to do something to ensure that it will be an effective appeal procedure no matter what provincial governments may come and go.

**Mr. Weatherhead:** What would two or three suggestions be, then, to make it a more effective procedure which you suggest

[Translation]

Au sujet de votre premier point, exposé à la page 8 du mémoire—c'est-à-dire la nécessité d'aider financièrement toute personne qui en a besoin dans la province en lui versant un montant qui tienne compte de ses besoins de base—vous dites que dans bien des cas, il y a eu délégation de ce pouvoir aux municipalités. Vous ajoutez qu'il ne vous a pas été possible de faire changer cette situation par les tribunaux, bien qu'il y ait eu certaines tentatives, parce que les tribunaux estiment qu'un particulier bénéficiaire du bien-être social ne peut intervenir dans un contrat liant deux autres parties. C'est exact?

**M. Peltz:** Oui. Revenons d'ailleurs un instant aux observations précédentes d'après lesquelles l'aide municipale prend la forme de prêts et non de subventions. Sinon avons raison de dire que cela est illégal et qu'il s'agit là de montants considérables prélevés sur le trésor public pour être dépensés à tort dans les municipalités du Manitoba, alors, en s'en tenant à l'interprétation des tribunaux, un citoyen ne peut rien faire pour mettre un terme à cette dépense illégale de fonds publics. Personne, contribuable ou autre, ne peut y mettre fin sans l'accord du gouvernement provincial ou du gouvernement fédéral, et aucun des deux ne veut peut-être donner son accord. J'estime que c'est là une triste situation.

Je ne connais pas les détails, mais je crois que la Cour fédérale est actuellement saisie d'une autre affaire portant sur la violation des normes de prestation.

**M. Weatherhead:** La deuxième partie de votre mémoire traite de la procédure d'appel. C'est une question assez complexe pour beaucoup de gens, je suppose, mais elle revêt quand même une grande importance dans tout système judiciaire ou quasi-judiciaire. Vous parlez des écarts dans les résultats que vous avez obtenus au cours des années, écarts qui seraient, selon vous, attribuables dans une certaine mesure à des motifs politiques. Mais vous dites surtout que l'audition des appels se déroule d'une façon un peu trop informelle. M. Blenkarn a mentionné les appels et les conseils arbitraux de l'assurance-chômage, mais vous lui avez fait remarquer que les deux parties étaient représentées, d'une façon générale, au sein de ces conseils, sans parler du président indépendant. Pensez-vous vraiment que le gouvernement fédéral devrait être habilité à définir en détail la composition, la procédure et la façon de fonctionner de ces tribunaux? Croyez-vous que cela soit essentiel pour que les gens soient traités avec justice dans ce cas?

**M. Peltz:** Nous ne proposons pas que le gouvernement fédéral décide de tous les détails de la procédure des commissions d'appel provinciales. Je pense que cela devrait revenir au gouvernement provincial et à nos tribunaux, si nous en venons là. Ce que nous voulons établir, c'est que le RAPC impose une procédure d'appel, et tout le monde ici conviendra sans peine que cette obligation est parfaitement fondée. Mais nous avons constaté que dans certains cas, la procédure d'appel établie n'est pas vraiment sérieuse. Nous croyons donc que les responsables du RAPC devraient prendre les mesures nécessaires pour que cette procédure soit efficace, quel que soit le gouvernement provincial au pouvoir.

**M. Weatherhead:** Pourriez-vous formuler deux ou trois recommandations quant à ce que le gouvernement fédéral



[Texte]

the federal government should put in a future CAP agreement?

**Mr. Peltz:** Well, one we have suggested relates to a requirement that there be recipients or ex-recipients on the board. I must say we have not given a lot of thought to the details of this, having worked on this only in the last few days, really, or got it into final form. Another we suggested was to have a requirement that there be someone who is legally trained on the board; but I would concede that that is not necessarily a guarantee of anything either, although it is a guarantee that someone knows something about what is supposed to be natural justice, the rules of evidence, and so on. Perhaps a better appeal system from the Provincial Appeal Board; in other words, perhaps CAP should be saying that not only must there be a first-step appeal, but there must be an effective second-step appeal.

**Ms. Brenda Silver (Legal Aid Lawyers Association):** We also would hope there would be a transcript or some ability to record what went on during the appeal, to make for a meaningful appeal from the board. It would also, I believe, restrict the callousness and some of the unjudicial aspects of the appeal itself if a record of the proceedings were kept.

• 1155

**Mr. Weatherhead:** Right now you just have the actual decision of the board to appeal from, without any evidence of what went on at all?

**Ms. Silver:** That is correct. On a few rare occasions they will give a covering letter setting out very briefly, perhaps on one line, the basis for their decision. But it is very unusual to get any reasons which can be of any use in an appeal.

**Mr. Weatherhead:** That is fine, Mr. Chairman.

**The Chairman:** Mr. Thacker.

**Mr. Thacker:** Thank you, Mr. Chairman. Lawyers always face that, of course. When judges want to find against you, if they have to give a written decision, they will just interpret the facts against you in any event. So that is a hazard of the trade.

If I have read your report correctly and listened to you carefully, to pull out the ratio of your presentation, it seems to me it would be on page 7, where you point out that while acknowledging the improvement in welfare services in Manitoba to date, you are not content with the present level. Your clients require more assistance in dealing with their poverty, and you encourage greater development and expansion in this area. You say without continued federal participation this will not be possible; a greater federal contribution rather than less is needed. Is that in essence your presentation before the committee?

**Mr. Peltz:** Yes, I think so.

**Mr. Thacker:** Thank you, Mr. Chairman.

**The Chairman:** Mr. Loiselle.

[Traduction]

devrait inclure dans les futurs accords du RAPC pour que la procédure d'appel soit plus efficace?

**M. Peltz:** On devrait peut-être exiger que certains membres de la Commission d'appel soient des prestataires ou d'ex-prestataires, comme nous l'avons déjà mentionné. Je dois reconnaître que nous n'avons pas beaucoup pensé aux détails de cette question car nous avons dû préparer notre mémoire en très peu de temps. Nous avons aussi parlé de la possibilité de désigner des membres ayant une formation juridique. Bien sûr, cela ne garantit rien, sauf qu'au moins un membre de la Commission connaît des choses telles que la justice naturelle, les règles de la preuve, etc. Peut-être pourrait-on aussi améliorer la procédure d'appel contre les décisions de la Commission d'appel. En d'autres termes, le RAPC pourrait prévoir non seulement un premier, mais aussi un second palier d'appel efficace.

**Mme Brenda Silver (Association des avocats de l'aide juridique):** Nous voudrions aussi qu'il y ait un procès verbal ou un moyen quelconque d'obtenir un compte rendu des audiences d'appel, afin qu'il soit possible en pratique de faire appel contre la Commission. Un compte rendu des délibérations pourrait aussi, d'une façon indirecte, limiter l'indifférence qui caractérise les appels actuels et mener à un plus grand respect des formes juridiques.

**M. Weatherhead:** A l'heure actuelle, vous n'avez que la décision de la Commission d'appel sans aucune preuve de ce qui s'est passé à l'audience?

**Mme Silver:** C'est exact. Il arrive parfois, mais c'est rare, que la Commission envoie avec sa décision une lettre expliquant très brièvement—en une ligne peut-être—les motifs de son verdict. Mais il est extrêmement rare que nous disposions de motifs sur lesquels nous puissions fonder une demande de révision judiciaire.

**M. Weatherhead:** Merci, monsieur le président.

**Le président:** Monsieur Thacker.

**M. Thacker:** Je vous remercie, monsieur le président. Les avocats connaissent bien cette situation. Quand les juges veulent rejeter vos arguments et qu'ils doivent rendre une décision écrite, ils interprètent les faits contre vous de toute façon. C'est donc un risque du métier.

Si j'ai bien compris votre mémoire et votre témoignage, je dirai que votre argument le plus important figure à la page 7: tout en reconnaissant que les services de bien-être social se sont beaucoup améliorés au Manitoba depuis quelques années, vous n'êtes pas satisfaits de leur niveau actuel. Vos clients ont besoin de plus d'aide pour échapper à la pauvreté et vous voulez que ce secteur connaisse davantage de développement et d'expansion. A votre avis, cela ne serait pas possible sans la participation fédérale et, en définitive, vous souhaitez que la contribution fédérale augmente plutôt que de diminuer. Est-ce bien là l'essentiel de votre témoignage devant le Comité?

**M. Peltz:** Je pense que c'est bien cela.

**M. Thacker:** Merci, monsieur le président.

**Le président:** A vous, monsieur Loiselle.



[Text]

**M. Loisel:** Merci, monsieur le président.

A la page 7 de votre exposé, au troisième paragraphe, vous indiquez clairement que sans la participation du gouvernement fédéral, on n'aurait pas pu développer d'aussi bons services sociaux au Manitoba et à travers le Canada. De fait, ce paragraphe, on le retrouve à peu près dans tous les exposés qui nous sont donnés par des associations comme la vôtre. C'est très flatteur pour le gouvernement fédéral, parce que vous dites que c'est un gouvernement très vertueux, que c'est lui qui vous assure un progrès constant dans ce domaine.

Maintenant, dites-moi pourquoi la vertu, selon tous les groupes, semble se trouver uniquement au gouvernement fédéral et pourquoi on ne pourrait pas s'en remettre aux provinces pour pratiquer pareille vertu.

**Mr. Peltz:** I think it is hard to say where a virtue will most frequently be located in the Canadian system. One may have his or her personal opinions about that. Certainly you can say that provincial governments will vary in ideology and in their willingness to spend, and also in their ability to spend. So I think that is a hard question to answer. What we are saying here is that the history is that because we are attempting to stay one country, it has been felt necessary to ensure some basic standards across the country. Some provinces I suppose have gone beyond the basic standards; and I hope I will always live in a province which will do more than the basic standards. But at least the federal government can do that.

What we see now is an apparent intention to retreat from even the basic standards. This is not the place, I suppose, to debate the causes and the ways of eliminating poverty, which the Canada Assistance Plan is supposed to be aimed at. One could make some comments about the role of the federal government in contributing to the maintenance of poverty. But all that aside, there is at least something the federal government has done, and that is to provide a floor across the provinces. And now that is threatened it seems.

**M. Loisel:** Je suis d'accord avec vous, mais vous reconnaissez que si le gouvernement fédéral veut continuer, par des programmes à frais partagés, à pratiquer des politiques selon des normes nationales, cela lui crée par le fait même des problèmes politiques importants avec ses principaux partenaires, les dix gouvernements provinciaux. Est-ce qu'il n'y aurait pas lieu, pour le gouvernement fédéral, d'essayer d'atteindre les mêmes buts par des programmes directs auprès des citoyens? C'est-à-dire qu'au lieu de transférer des fonds aux gouvernements... Tantôt, vous disiez quelque chose de très vrai: «Où est la vertu dans notre système politique?» Moi, j'ai toujours cru que la vertu doit se trouver dans chacun des 23 millions de citoyens canadiens. C'est peut-être là qu'elle est le mieux sauvegardée. Ces 23 millions de citoyens canadiens ont la chance, à tous les 4 ans, de voter pour ou contre le gouvernement fédéral et, à tous les 4 ans, pour ou contre le gouvernement provincial. Il faut peut-être s'en remettre un peu plus à leur jugement à eux.

[Translation]

**Mr. Loisel:** Thank you, Mr. Chairman.

On page 7 of your brief, you indicate clearly in the third paragraph that without federal participation, present levels of social services would not have been possible in Manitoba or elsewhere in Canada. In fact, we have found similar arguments in almost every brief presented by groups such as yours. It is quite flattering for the federal government since you say this is a very virtuous government that brings constant progress in this field.

Would you tell me now why all groups seem to find virtue only in the federal government and why provinces cannot be trusted to show similar virtues in their deeds?

**M. Peltz:** Il est difficile, je pense, de dire où exactement réside la vertu dans notre système politique. On peut avoir des opinions différentes à ce sujet. On peut certainement penser que les gouvernements provinciaux diffèrent les uns des autres par leur idéologie, leurs programmes de dépenses et aussi la situation de leur trésorerie. Je répète donc qu'il est difficile de répondre à cette question. Notre point de vue, c'est que pour préserver l'unité du pays, il a fallu établir certaines normes fondamentales à l'échelle nationale. Je suppose que certaines provinces sont allées au-delà de ces normes—et je souhaite pouvoir toujours vivre dans une province qui cherchera à dépasser ces normes. Mais le gouvernement fédéral peut au moins faire cela.

Nous constatons maintenant que le gouvernement envisage de retirer même ces normes fondamentales. Il ne convient pas, je pense, de discuter ici des causes de la pauvreté et des moyens de la combattre. Mais le Régime d'assistance publique du Canada existe pour lutter contre la pauvreté. Je pense donc qu'il est possible d'aborder ici le rôle du gouvernement fédéral dans le maintien de la pauvreté. Quoi qu'il en soit, il faut reconnaître qu'Ottawa a au moins fait une chose, qui est d'établir un niveau de base pour toutes les provinces. Et il semble que même cela, nous risquons de le perdre.

**Mr. Loisel:** I agree with you but you will recognize that the maintenance of cost-sharing programs and of policies based on national standards results almost automatically in major political problems between the federal government and its partners, the ten provincial governments. Don't you think that the federal government can try to reach the same goals through programs directed at individual citizens instead of making transfers to other levels of government? You just said—and I fully agree with you—that it is hard to say where virtue will most frequently be located in the Canadian system. I have always believed that we can find virtue in every one of our 23 million citizens. There is where it is best protected. These 23 million Canadians have a chance every four years or so to vote for or against the federal and the provincial governments. Perhaps we should trust their judgment a little more.

[Texte]

• 1200

D'ailleurs, si on regarde le résultat des élections dans les 4 provinces de l'Ouest depuis quelque temps, on se rend bien compte que ce n'est tout de même pas à cause de la vertu libérale qu'on a des députés ici. En fait, j'ai un peu de difficulté à suivre cette approche. Tous les groupes, dans le domaine social, vous faites tous la même louange du gouvernement fédéral. Vous dites tous la même chose: «Continuez à mettre des standards nationaux, ne diminuez pas votre participation financière.» Tout à coup, lorsqu'on tombe dans les détails, vous dites: «Oui, mais comme il s'agit d'une juridiction provinciale, il faut aussi que la province soit le principal maître d'œuvre dans ce domaine.»

Tout cela fait un melting pot dont le résultat final revient à dire: «Vous, vertueux gouvernement fédéral, mettez plus d'argent, laissez-nous nous débattre avec nos gouvernements provinciaux, mais imposez des standards minimaux nationaux.

**Mr. Peltz:** Well, this whole debate reminds me of some of the positions being taken in the United States right now and I do not want to engage in an *ad hominem* by saying that this kind of argument has been advanced by the Reagan government and by many people of that philosophic persuasion; that is to say, we are not against occupational health and safety or legal aid or medical services. We just want it to be done by the local government—the government closest to the people, which should be the one which takes the responsibility and the accountability and so forth. Under that guise, for example, the federal government in the United States proposes to completely—100 per cent—eliminate civil legal aid throughout the United States. They say they are going to eliminate it from federal funding and they will leave it up to municipal and state entities to provide it. So, you can always make that argument, but I think practically speaking, especially in a country as diverse as Canada and as diverse as the United States, you will not have basic standards unless there is a federal role which is why we are here.

**M. Loisel:** Mais vous n'avez pas répondu à la première partie de ma question. Est-ce que le gouvernement fédéral ne pourrait pas assurer des normes minimums à travers tout le pays par des programmes de transferts directs aux individus plutôt que par une augmentation des programmes de transferts aux provinces qui sont toujours pour nous source d'ennuis avec nos partenaires provinciaux? C'est peut-être un choix que le gouvernement fédéral aurait devant lui. Qu'est-ce que vous en pensez?

**Mr. Peltz:** We are not political scientists and we are getting into an area that we are probably not competent to deal with, whether it should be contribution to individuals or it should be mediated through the provincial governments. Certainly, I will say this, that if the contributions were going directly to individuals and if governments were breaching their responsibilities under the law, then it would be a lot easier to enforce those in court as opposed to the present situation where the individuals are strangers to a contractual relationship between two levels of government and the two levels of government may or may not be following the law. So, aside from that I do

[Traduction]

When you look at election results in the four Western provinces over a period of time, you can clearly see that it is not because of liberal virtue that we have M.P.'s here. In fact, I have some difficulty with this approach. In the social field, all groups say the federal government is wonderful, they all say: "Go on establishing national standards. Do not reduce your financial contribution." And then, as soon as we get down to details, they object: "Yes, but since this is a matter of provincial jurisdiction, the provincial government should directly supervise this area."

These are rather conflicting views the final result of which is the following: "You virtuous federal government, give us more money. Let us deal with our own provincial governments but do establish mandatory Canada-wide minimum standards."

**M. Peltz:** Ce débat me rappelle un peu ce qui se passe aux États-Unis à l'heure actuelle. Je ne voudrais pas reprendre l'argument à la mode qu'ont avancé le gouvernement Reagan et bien d'autres gens qui partagent sa doctrine philosophique, cet argument qui consiste à dire: Nous ne nous opposons pas aux mesures de santé et de sécurité professionnelles, à l'aide juridique ou aux services médicaux; nous voulons simplement que les gouvernements locaux—qui connaissent le mieux les besoins de la population—s'en occupent et en assument la responsabilité. C'est sous ce prétexte que le gouvernement fédéral américain se propose, par exemple, d'éliminer, de supprimer à 100 p. 100 l'aide juridique civile à travers les États-Unis. Washington veut couper le financement fédéral de ce programme et en laisser l'entière responsabilité aux municipalités et aux États. Il est toujours possible d'avancer cet argument, mais je pense qu'en pratique, surtout dans des pays aux conditions aussi diverses que celles du Canada—et des États-Unis aussi—, il ne peut y avoir de normes fondamentales si le gouvernement fédéral ne s'en occupe pas. Et c'est pourquoi nous sommes ici.

**Mr. Loisel:** You did not answer the first part of my question. Don't you think the federal government can ensure minimum standards throughout the country by implementing programs directed at individuals rather than increasing transfers to provinces, which are always a source of problems with our provincial partners? This may be an alternative for the federal government. What is your opinion on that matter?

**M. Peltz:** Nous ne sommes pas des spécialistes en sciences politiques. Ce choix entre les transferts aux particuliers et les transferts aux provinces nous dépasse quelque peu. Je peux cependant vous dire ceci: Si les subventions allaient directement aux particuliers, il serait beaucoup plus facile de poursuivre en justice les gouvernements qui ne respecteraient pas leurs obligations en vertu de la loi, contrairement à ce qui se passe à l'heure actuelle où l'on considère que les particuliers sont étrangers aux ententes contractuelles conclues entre deux paliers de gouvernement qui respectent ou non la loi. À part cette observation, je crains de ne pouvoir en dire plus. Je ne



*[Text]*

not know whether I can comment. I do not know if anybody else from our group wants to try to answer your question.

**M. Loiselle:** Merci.

**The Chairman:** Just for the record, I have the relevant section of the act about appeals. It is Section 6(e):

... will ensure the provision by law not later than one year from the effective date of the agreement of a procedure for appeals from decisions of provincially approved agencies with respect to applications for assistance, or the granting or providing of assistance by persons directly affected by such decisions . . .

• 1210

The wording in the agreement with Manitoba just says, "to ensure the provision by law not later than one year from the effective date of this agreement of a procedure for appeals from decisions"—the same wording as provincially approved agencies et cetera. I guess we will have to consider to what extent the federal government should, in federal legislation, define in detail what kind of appeals it should allow. As a federal politician, I do not have too much difficulty making up my own mind on this but there is a certain provincial theology that we have to take account of, that certain things are under provincial jurisdiction and I really doubt that the provincial governments would accept very happily any kind of scheme where federal law, federal politicians or federal bureaucrats would start suggesting to them what kind of appeal provisions they should have. As much as I sympathize with what you are saying, and as much as I could live with that as a federal politician, I think it is going counter to the evolution of politics in the last 10 or 15 years, particularly in this country where we must respect the jealousies of provincial governments.

**Mr. Peltz:** Well, I can accept the response to our position, if the response is "You guys have to get into your own provincial systems and fight it out; and get the appeal boards and the governments that you deserve through your elections."

**The Chairman:** Unless you start electing governments who agree that federal politicians should determine that. You can always try to do that. But if your provincial governments are going to go on saying that we should keep our nose out of their business then I guess we have to take account of that. We cannot really start ignoring the provincial realities.

**Mr. Peltz:** But, on the other hand, in this whole system, there is an illusion maintained that the federal government is taking responsibility for minimum standards, and that is our point. Do not say that there shall be an appeal system suggesting that there will be a fair and effective appeal system when there may not be.

**The Chairman:** When you talk about standards and wherever you talk about accession to services and that sort of thing, you do not necessarily go into determining precisely for the province exactly how the services should be delivered or how they should be applied. All federal legislation, medicare, Medi-

*[Translation]*

sais pas si d'autres membres de la délégation veulent essayer de répondre à votre question.

**Mr. Loiselle:** Thank you.

**Le président:** J'ai ici l'article de la loi concernant les appels. Il s'agit de l'article 6(2)e) qu'il serait peut-être intéressant de faire consigner au compte rendu:

... (la province) veillera, dans le délai d'un an à compter de la date d'entrée en vigueur de l'accord, à prendre des dispositions législatives établissant une procédure d'appel des décisions prises par la province relativement aux demandes d'assistance publique ou à l'octroi ou à la fourniture de cette assistance, par des personnes directement visées par ces décisions..

Voici par ailleurs le texte de l'accord conclu avec le Manitoba: «... veiller, dans le délai d'un an à compter de la date d'entrée en vigueur du présent accord, à prendre des dispositions législatives établissant une procédure d'appel des décisions prises»... par les organismes provinciaux approuvés, etc. C'est exactement le même texte que la loi. Je suppose qu'il nous faudra voir dans quelle mesure le gouvernement fédéral devrait, dans les lois fédérales, définir en détail les modalités d'appel. En tant que député fédéral, mon opinion est toute faite à ce sujet, mais nous avons à tenir compte de la doctrine provinciale voulant que certaines questions relèvent de la compétence provinciale. Je doute d'ailleurs que les provinces acceptent volontiers un programme quelconque qui permettrait au gouvernement ou aux bureaucrates d'Ottawa de leur imposer des modalités d'appel, en vertu d'une loi fédérale. Bien que je sois très tenté de vous appuyer, et à titre personnel et en tant que député fédéral, je pense que ce que vous demandez va à contre-courant de l'évolution politique des dix dernières années, surtout dans un pays comme le nôtre où il est très important de ménager les susceptibilités provinciales.

**M. Peltz:** Je peux admettre votre réponse si elle veut dire en fait que nous n'avons qu'à nous en prendre à notre propre système provincial et que nous avons les commissions d'appel et les gouvernements que nous méritons puisque nous les avons élus.

**Le président:** A moins que vous n'entrepreniez d'élire un gouvernement qui acceptera de laisser faire les autorités fédérales. Vous pouvez toujours essayer. Mais si les gouvernements provinciaux continuent à nous demander de nous occuper de nos oignons, je pense que nous devons en tenir compte. Nous ne pouvons faire abstraction des réalités provinciales.

**M. Peltz:** Cependant, dans tout ce système, on entretient l'illusion que le gouvernement fédéral assume la responsabilité des normes minimales. Et c'est là notre point. N'allez pas dire que vous imposez une procédure d'appel, laissant entendre par là qu'il s'agit d'une procédure d'appel juste et efficace, quand en fait elle ne l'est peut-être pas.

**Le président:** Quand on parle de normes, d'accès aux services et d'autres questions du même genre, on ne va pas nécessairement jusqu'à fixer pour les provinces les modalités précises de prestation des services. Toutes les lois fédérales de ce genre, qu'il s'agisse de l'assurance-maladie, de la loi sur les soins



**[Texte]**

cal Care Act, the Hospital and Diagnostic Services Act, the Canada Assistance Plan have all deliberately been drafted with such flexible and subtle language, in the 1960's particularly, and conditions are so broad in order to take account of these provincial competences and these provincial jealousies, and to make sure that the wording of federal legislation does not become offensive to provincial theologies.

I suspect that the answer we will get from the people who drafted this CAP Act, is that if we started getting into the kind of appeals that provincial governments should have for welfare recipients, then the provincial governments are going to tell us that is none of our damn business. I am afraid that that is going to be the answer, and if it is I cannot do much more than take account of it.

**Mr. Peltz:** I think I agree with you that the wording is vague and probably deliberately so. I think it is also clear that the intention, in saying there shall be an appeal system, was that there shall be fair and effective appeal systems. Now that has not been written in so all we are saying is that to some extent it is fostering a myth.

**The Chairman:** You have to start from the wording of a great Canadian, Lester B. Pearson, who once said that "This may be an unmanageable country, but it is the country we are in". Mr. Herbert did you have a question?

**Mr. Herbert:** No, I do not have a question. I have a point of order I want to conclude if everybody is finished their questioning.

For the benefit of the public, this is our last public meeting in Winnipeg and I just want to go on the record as I have done in the other places. We have requested the provincial governments, if they wish, to meet with the members of the committee and in some cases the meetings are held in public, but in this case in Winnipeg, the meeting is in private. We have a meeting this afternoon with the Hon. Alan Brian Ransom, who is the Chairman of the Treasury Board. I would like, as I have proposed elsewhere, that the invitation to the government of the Province of Manitoba and the response be appended to the *Minutes* of this particular session, being our last public meeting in Winnipeg.

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**The Chairman:** Is it agreed?

**Some hon. Members:** Agreed.

**The Chairman:** Thank you very much.

As Mr. Herbert has said, this concludes this part of our hearings in the Province of Manitoba. I want to thank the Legal Aid Lawyers' Association for having come before us. It was a very well prepared brief and we appreciate it very much. It will certainly be of value to us in our deliberations.

The meeting is adjourned until 1.00 p.m. tomorrow at the Regina Inn. Thank you.

**[Traduction]**

médicaux, de la loi sur l'assurance-hospitalisation et les services diagnostiques ou du Régime d'assistance publique du Canada, ont été délibérément rédigées en termes relativement imprécis, surtout dans les années 60, et comprennent des conditions très générales justement pour tenir compte des domaines de compétence et des susceptibilités provinciales et pour que leur libellé n'offense pas les dirigeants des provinces.

Je suppose que si on posait des questions aux gens qui ont conçu le texte du Régime d'assistance publique du Canada, ils répondraient que nous ne pourrions tenter de dicter aux provinces des modalités d'appel pour les assistés sociaux sans nous faire dire de ne pas nous mêler de ce qui ne nous regarde pas. Je crains que ce soit la réponse que nous obtiendrions et, si c'est le cas, nous ne pouvons faire autrement que d'en tenir compte.

**M. Peltz:** Je conviens avec vous que la loi est rédigée en termes plutôt vagues, sans doute de propos délibéré. Je persiste cependant à dire que si on impose une procédure d'appel, dans l'esprit du législateur, il s'agit d'une procédure juste et efficace. Bien sûr, ces mots ne figurent pas dans la loi. A notre avis donc, la disposition actuelle de la loi ne fait qu'entretenir un mythe.

**Le président:** Pour vous répondre, je ne peux que reprendre les paroles d'un grand Canadien, Lester B. Pearson, qui a dit un jour: «Le Canada est peut-être un pays ingouvernable, mais c'est le seul pays que nous ayons». Monsieur Herbert, avez-vous une autre question?

**M. Herbert:** Non, pas une question, mais un rappel au Règlement. Je voudrais conclure si personne d'autre n'a de questions à poser.

Pour la gouverne de l'assistance, je voudrais rappeler que c'est notre dernière audience publique à Winnipeg. Je voudrais mentionner, en outre, comme je l'ai fait dans les autres endroits où nous avons siégé, que nous avons demandé aux responsables du gouvernement provincial s'ils souhaitaient rencontrer les membres du Comité. Dans certains cas, ces réunions sont publiques, mais dans le cas présent, notre réunion à Winnipeg avec l'hon. Alan Brian Ransom, président du Conseil du Trésor du Manitoba, aura lieu en privé cet après-midi. Comme je l'ai fait ailleurs, je voudrais une fois de plus proposer que l'invitation adressée au gouvernement du Manitoba ainsi que sa réponse soient annexées au compte rendu de la présente séance puisque c'est notre dernière à Winnipeg.

**Le Président:** Est-ce que c'est d'accord?

**Des voix:** D'accord.

**Le président:** Merci beaucoup.

Comme l'a signalé M. Herbert, cela met un terme à cette partie de nos audiences dans la province du Manitoba. Je voudrais remercier les représentants de l'Association des avocats de l'aide juridique pour leur témoignage. Ils nous ont présenté un mémoire d'une haute tenue qui nous sera certainement utile dans nos délibérations.

La séance est ajournée à demain 13 heures au Regina Inn. Merci.



## APPENDIX «FISC-33»

BRIEF TO THE PARLIAMENTARY  
TASK FORCE ON FEDERAL  
PROVINCIAL FISCAL ARRANGEMENTSSOCIAL PLANNING COUNCIL OF WINNIPEG  
MAY, 1981SOCIAL PLANNING COUNCIL OF WINNIPEG  
BRIEF TO THE PARLIAMENTARY  
TASK FORCE ON FEDERAL  
PROVINCIAL FISCAL ARRANGEMENTS

## INTRODUCTION

The Social Planning Council of Winnipeg and its antecedent organizations have spoken on social welfare issues since 1919. We are a non-partisan, private, voluntary organization, dedicated to the improvement of the social well-being of our citizens. We are grateful to the Government of Canada for making this opportunity available to Canadians to address the fundamental issue of the role of the federal government in making equitable, accessible effective human services of all kinds available to Canadians.

The current review, by virtue of your terms of reference, includes all initiatives in the form of fiscal transfers, personal social services, educational services, and health services to Canadians. In total, these activities can be termed "human services". We wish to address both some of the specific issues related to several of these service areas, as well as the more general question of the role of the federal government in fiscal agreements with the provinces. It is to this latter question we will first turn our attention.

*The Current Role of the Federal Government in Providing Human Services*

Under that popular document, the *British North America Act*, it is clear that the administration of education, health and personal social services are areas of provincial jurisdiction. Yet, in all of these services, the federal government is a very major actor. For example, in 1976, 34 per cent of the federal government's budget was spent in human services, or transfer payments of all kinds, whereas only twelve percent of the provincial governments' expenditures were so spent. How has this come to be in the light of the *B.N.A. Acts*? The answer is twofold, rooted in both the taxation provisions of those acts and the commendable desire of the federal government to assure basic minimum standards of service to certain groups of our society, including the young, the old, the unemployed, the sick and the disabled. What then has happened to cause this current review and, more particularly, to cause the Minister of

## APPENDICE «FISC-33»

MÉMOIRE PRÉSENTÉ AU GROUPE DE TRAVAIL  
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ENTRE LE GOUVERNEMENT FÉDÉRAL ET LES  
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PROVINCES

## INTRODUCTION

C'est en 1919 que le *Social Planning Council of Winnipeg* et les organisations qui l'ont précédé ont commencé à parler des questions de bien-être social. Nous sommes une organisation non partisane, privée et bénévole qui s'est donnée pour tâche l'amélioration du bien-être social de nos citoyens. Nous sommes reconnaissants au gouvernement du Canada de donner l'occasion, à tous les Canadiens, d'aborder cette question fondamentale du rôle que doit jouer le gouvernement fédéral pour mettre à la disposition de tous les Canadiens une vaste gamme de service à la fois équitables, accessibles et efficaces. L'étude que vous avez entreprise aux termes de votre mandat portera sur toutes les initiatives possibles, qu'il s'agisse de transferts fiscaux visant les Canadiens ou de la prestation, à ceux-ci, de services sociaux personnels, de services éducatifs et de services de santé.

On peut grouper toutes ces activités sous un même vocable: services sociaux. Nous voulons dans le présent mémoire traiter à la fois de questions précises touchant certains de ces services, et aborder aussi la question plus générale du rôle du gouvernement fédéral par rapport à la conclusion d'accords fiscaux avec les provinces. C'est de cette dernière question dont nous traiterons tout d'abord.

*Rôle actuel du gouvernement fédéral au titre de la prestation des services sociaux*

Aux termes de ce document populaire qu'est l'*Acte de l'Amérique du Nord britannique*, il est évident que l'administration des services sociaux personnels, d'éducation et de santé relève de la compétence provinciale. Pourtant, le gouvernement fédéral joue à l'égard de tous ces services un rôle très de première importance. En 1976, par exemple 34 p. 100 du budget du gouvernement fédéral était consacré aux services sociaux, ou à des paiements de transfert de tous genres, tandis que pour ce même poste, les gouvernements provinciaux n'affectaient que 12 p. 100 de leur budget. Comment en est-on venu là, compte tenu des dispositions de l'*Acte de l'Amérique du Nord britannique*? La situation s'explique, d'une part, par les dispositions fiscales de l'A.A.N.B. et, d'autre part, par le désir louable du gouvernement fédéral d'offrir un minimum de services fondamentaux à certains groupes de notre société, y



Finance to announce the government's intention to reduce funding in these areas?

### *The Federal Role—Past and Present*

The historic role of the federal government in human service provision has been to gradually ensure basic minimum levels of support and services to all Canadians. Starting with old age pensions 54 years ago, this concern has broadened to include systems for family allowances, social services and medical care envied by much of the free world.

In wanting to assure minimum human service standards, the federal government has had to deal with constitutional realities that gave jurisdiction in these areas to provinces. To surmount this difficulty, the federal government used its taxation and spending powers under Sections 91(3), 91(1A), of the B.N.A. Act. In so doing, it had to either provide *cas directly* to individuals or *services indirectly* through provincially administered delivery systems. This evolutionary process has resulted in the federal government being the silent funder of more than 40 percent of the total budget of some provinces and, in Manitoba's case, of 60 percent of our health care system costs. This process also forms the backdrop for the problems which we believe have led to this current review.

The federal government finds itself on the horns of a dilemma. Historically, the federal role has been to assure minimum standards of services and income to Canadians. However, current economic conditions, and perceived public opinion, have led the government to conclude that it must reduce its expenditures. It is also an uncomfortable political reality that the ordinary citizen is almost totally unaware of the federal role in funding what are seen and experienced as provincial services, such as health care. Given both this perceived economic reality, and the low political pay-off for the federal government is funding provincially administered services, it is no wonder that such services are targetted for cutbacks. The Social Planning Council thinks that there are more desirable ways of solving this complex dilemma than further abandonment of the important role of the federal government.

### *Minimum Standards and Funding Cutbacks*

Obviously, the federal government cannot continue its commitment to minimum standards of human services and at the same time reduce expenditures in the social affairs envelope. In fact, the costs of such services have historically increased at a rate that generally exceeds the inflation level and, furthermore, aging trends in our society suggest that we will need more, not fewer, services in the next decade especially in the home care and acute health care fields.

compris les jeunes, les personnes âgées, les chômeurs, les malades et les invalides. Quelles circonstances ont suscité cette étude et, plus particulièrement, qu'est-ce qui a poussé le ministre des Finances à signaler l'intention du gouvernement de procéder à des coupures dans ces domaines?

### *Rôle passé et actuel du gouvernement fédéral*

Au chapitre de la prestation de services humanitaires, aux Canadiens le rôle du gouvernement fédéral a consisté traditionnellement à fixer progressivement des normes fondamentales. Depuis que des pensions de vieillesse ont commencé à être accordées il y a 54 ans, l'aide fournie en est venue à se traduire par l'instauration de régimes d'allocations familiales et de programmes de services sociaux et de soins médicaux qui font l'envie de la plupart des pays libres.

Dans son désir de fixer des normes minimales en matière de services sociaux, le gouvernement fédéral a dû faire face à des réalités constitutionnelles qui conféraient aux provinces une compétence dans ces domaines. Pour surmonter cette difficulté, le gouvernement fédéral a eu recours aux pouvoirs d'imposition et de dépenses que lui conféraient les paragraphes 91(3) et 91(1A) de l'A.A.N.B., ce qui l'obligeait du même coup soit à verser directement aux particuliers certaines sommes soit à offrir indirectement des services dans le cadre des régimes administrés par les provinces. C'est donc par le biais de ce processus que le gouvernement fédéral est devenu le pourvoyeur silencieux de plus de 40 p. 100 du budget total de certaines provinces; dans le cas du Manitoba, il assume 60 p. 100 même des coûts du programme de soins de santé. Pour d'aucuns, ce processus même serait à la source des problèmes qui, selon nous, ont suscité l'étude en cours.

Le gouvernement fédéral se trouve aujourd'hui pris dans un dilemme. En effet, son rôle avait traditionnellement consisté à garantir à tous les Canadiens un minimum de services et de revenus. Toutefois, les conditions économiques actuelles et l'opinion que s'en est faite le public ont amené le gouvernement à conclure qu'il doit réduire ses dépenses. En outre, il y a également cette réalité politique pénible voulant que le citoyen ordinaire soit presque inconscient du rôle que le gouvernement fédéral joue dans le financement de ce que l'on considère être des services offerts par la province, les soins de santé, et dont on se prévaut. Compte tenu tant de la perception de cette réalité économique que du faible avantage politique que représente pour le gouvernement fédéral le financement des services administrés par les provinces, il n'est pas étonnant qu'on songe à diminuer les crédits versés à l'égard de ces services. Le Conseil estime que pour sortir de ce dilemme complexe, il existe des moyens beaucoup plus souhaitables que le fait de diminuer davantage le rôle du gouvernement fédéral.

### *Normes minimales et sources de financement réduits*

De toute évidence, le gouvernement fédéral n'est pas en mesure de respecter son engagement à l'égard des normes minimales qu'il avait fixées pour la prestation des services sociaux ni ne peut diminuer les dépenses dans l'enveloppe des affaires sociales. En fait, les coûts de ces services ont toujours augmenté à un rythme qui dépasse généralement le taux d'inflation; les tendances du vieillissement dans notre société laissent en outre, prévoir que nous aurons besoin d'accroître et non de diminuer les services au cours de la prochaine décennie,

Services currently funded by the Canada Assistance Plan and the *Vocational Rehabilitation of Disabled Person's Act*, are widely admitted to be in their early developmental stages. Indeed, some services, such as Home Care, are not yet available in large parts of Canada. Clearly, minimum standards in these areas have not been reached and can never be achieved with expenditure reductions. *Therefore, we would challenge the federal government to clarify its policy and position on the maintenance of minimum standards. Will it abandon, or continue to carry this role?*

### *The Funding of Human Services—Some Options*

The budget speech of October, 1980, indicated that the government views its fiscal problems as chiefly related to expenditure control, and not as a need for more revenue. We would challenge this view as both unrealistic and narrowly conceived.

First, the current tax system, especially as it relates to social policy goals in the areas of child and family deductions, child tax credits and family allowances, is a confusing muddle of provisions which seem often to work at cross purposes. We would suggest that a full scale review of the personal taxation system could yield both a simpler annual exercise for taxpayers as well as a more efficient pursuit of the social goals of the government.

Second, it is clear that the federal deficit began to escalate in 1975-76 when two major forces simultaneously hit the economy. In 1975, indexation was introduced in a thoroughgoing manner to the taxation system, thus eliminating the so-called "inflation profit". Also, in 1974-75 energy prices began their dizzy escalation. When these potent forces combined with a sluggish economy, federal revenues feel more and more behind expenditures. To expect human services to bear a large portion of the burden of this revenue shortfall is to impose an unequal and unfair load on those least able to afford it, namely, individuals in need, and poorer provinces. If governments are to cope effectively with these implied demands, all programs must be scrutinized for their effectiveness and efficiency and likely new revenues will be required; reductions in the current expenditure levels will not allow maintenance of even current standards of service.

### *Mechanisms for Fiscal Arrangements*

The present combination of fiscal transfers between the federal government and the provinces is too complex to analyze in the short time allowed for the preparation of this brief. However, the three main mechanism are: unconditional block funding, conditional block funding (grants) and cost-sharing.

surtout en ce qui a trait aux soins à domicile et aux soins de santé.

Il est en général admis que les services présentement financés par le Régime d'assistance publique du Canada et en conformité de la *Loi sur la réadaptation professionnelle des invalides* en sont encore aux premières étapes de l'élaboration. De fait, certains services, tels les soins à domicile, ne sont pas encore assurés dans de nombreuses régions du Canada. Il est donc évident que dans ces régions les normes minimales n'ont pas été atteintes et ne pourront jamais l'être si des coupures sont imposées. *Par conséquent, nous réclamons que le gouvernement fédéral éclaircisse sa politique et sa position en ce qui concerne le maintien des normes minimales. Abandonnera-t-il son rôle ou continuera-t-il de l'assumer?*

### *Le financement des services sociaux—Certaines options*

Dans le discours du budget d'octobre 1980, il est fait mention que le gouvernement considère que ses problèmes fiscaux sont surtout liés au contrôle des dépenses et non au besoin d'accroître ses recettes. Nous contesterions ce point de vue qui est à notre avis tout irréaliste qu'étroit.

Premièrement, le régime fiscal actuel, surtout en ce qu'il se rapporte aux objectifs de la politique sociale dans les domaines des exemptions pour personnes à charge, des crédits d'impôt pour enfants et des allocations familiales, est un véritable fouillis de dispositions qui semblent souvent viser des objectifs tout à fait opposés. Nous serions d'avis qu'un examen complet du système d'impôt sur le revenu des particuliers pourrait se concrétiser en un exercice annuel plus simple pour le contribuable ainsi qu'en la poursuite plus efficace des objectifs sociaux du gouvernement.

Deuxièmement, il est évident que le déficit fédéral a commencé à s'intensifier en 1975-1976, alors que deux principales forces ont frappé simultanément l'économie. En 1975, c'est de façon non mitigée que la notion d'indexation était introduite dans le régime fiscale en vue de supprimer les bénéfices dus à l'inflation. En outre, au cours de l'exercice financier de 1974-1975, les prix de l'énergie ont commencé leur ascension vertigineuse. Lorsque ces forces puissantes sont venues s'associer à l'économie stagnante, les recettes fédérales ont été de moins en moins proportionnelles aux dépenses. Or, faire porter le poids de cette insuffisance de recettes sur les services sociaux principalement reviendrait à imposer une charge illégale et injuste à ceux qui sont le moins en mesure de l'assumer, notamment les nécessiteux et les provinces démunies. Si les gouvernements veulent répondre efficacement à ces demandes implicites, il leur faut étudier minutieusement tous les programmes afin d'en déterminer l'efficacité et l'efficience et, vraisemblablement, les nouveaux revenus qu'il faudra en tirer; les réductions des niveaux actuels de dépenses ne permettront même pas aux pouvoirs publics de maintenir les normes actuellement appliquées.

### *Mécanismes avis sur la conclusion d'accords fiscaux*

L'amalgame actuel des divers transferts fiscaux entre le gouvernement fédéral et les provinces est trop complexe pour qu'on puisse l'analyser, compte tenu du court délai qu'on nous avait imparti pour la rédaction de ce mémoire. Voici quels sont toutefois, les trois principaux mécanismes en cause: finance-



Which mechanism, in the most general terms, best serves the historic social policy role of the federal government? Unquestionably, unconditional block funding cannot, simply because it is unconditional. Further enlargements of such grants would defeat both the aim of standard setting and public understanding of the federal role.

Conditional block grants, tied to economic formulae of one sort or another, may allow for maintenance of some standards if two conditions are met. First, the costs of such minimum standards must not rise faster than the formula governing the grants, and second, the standards must already have been achieved before the formula is applied. For example, Home Care is an immature service; it has not expanded to the optimum level for efficient, effective service delivery. A formula tied to objective economic indicators will not likely serve the needs of such service expansion adequately. However, if there is agreement that the standards are already met, and costs can be contained within a formula, then conditional block funding *may* serve the federal goals.

Cost-sharing, however, is the only transfer mechanism which is inherently capable of unequivocal maintenance of standards and necessary growth of immature services, since it allows for orderly expansion at a rate greater than the growth of the economy. It is also inherently the only way to assure adequate income maintenance levels in public assistance programs and is particularly vital to municipalities in this regard.

Therefore, the Social Planning Council recommends that in social policy areas, the federal government employ only conditional block funding or cost-sharing in federal-provincial fiscal arrangements. Specifically, we recommend the maintenance of cost-sharing for all services currently funded under CAP and VRDP. We also recommend a review of both pieces of legislation which would be consistent with the philosophy of the 1978 *Social Services Act* and its emphasis on preventive services.

Finally, the federal role must not become one for Treasury Board or Department of Finance economists only, it also must be where federal elected officials and staff skilled in social policy and human service planning advocate for the continued effective, orderly development of our human service system which, despite its merits, is still in its infancy in some areas. We believe that the interests of all Canadians, and in particular of our most vulnerable citizens, will not be served by further federal withdrawal from direct involvement in these issues.

ment global inconditionnel, financement global conditionnel (subventions) et partage des frais. Quel mécanisme est, dans l'ensemble, le mieux adapté au rôle traditionnel de la politique sociale du gouvernement fédéral? Il faut indiscutablement mettre de côté le financement global inconditionnel du simple fait qu'il n'est assorti d'aucune condition. De nouvelles subventions à ce titre détruiraient à la fois l'objectif d'établissement de normes et la compréhension par le public du rôle du gouvernement fédéral.

Le financement global conditionnel, lié à diverses formules économiques, peut prévoir le maintien de certaines normes et ce, à deux conditions. Premièrement, les coûts d'établissement de ces normes minimales ne doivent pas augmenter plus rapidement que la formule régissant l'accord des subventions et, deuxièmement, les normes doivent avoir déjà été respectées avant que la formule ne soit appliquée. Par exemple, le programme de soins à domicile est un service encore trop récent; il n'a pas atteint le niveau qui lui permettrait d'être assuré efficacement. Une formule liée à des indicateurs économiques objectifs ne favoriserait guère non plus l'expansion d'un service de ce genre. Toutefois, si des intéressés conviennent que les normes ont déjà été respectées et que les coûts peuvent être réfrénés au moyen d'une formule, il est alors possible que le financement global conditionnel permette d'atteindre les objectifs du fédéral.

Le partage des frais est toutefois le seul mécanisme de transfert capable de par sa nature, de maintenir sans équivoque les normes établies et la croissance nécessaire des services non encore parfaitement mis au point, puisqu'il permet une croissance réglée dont le rythme soit plus rapide que celui de la croissance de l'économie. Ce mécanisme consitue en outre, la seule façon d'assurer le maintien de revenus adéquats dans le cadre des programmes d'aide publique et, à cet égard, il est tout particulièrement indispensable aux municipalités.

Par conséquent, le Conseil recommande que dans le domaine de la politique sociale, le gouvernement fédéral opte uniquement pour le financement global conditionnel ou le partage des coûts aux prix de conclure des accords fiscaux avec les provinces. Nous recommandons plus le maintien des programmes à frais partagés pour tous les services financés à l'heure actuelle au titre des Programmes d'aide du Canada ainsi que des Programmes sur la réadaptation professionnelle des invalides. Nous recommandons également que soient étudiés les deux textes de loi qui correspondraient à l'esprit de la Loi de 1978 sur les services sociaux et à l'importance qu'elle accorde aux services préventifs.

Enfin, le rôle du fédéral ne doit pas être assumé uniquement par les économistes du Conseil du trésor ou du ministère des Finances, il doit également l'être par les représentants fédéraux élus et les spécialistes en politique sociale et en planification des services sociaux qui prônent l'évolution méthodique et efficace de notre grille de services sociaux qui, malgré ses mérites, n'en est encore qu'à l'étape de l'ébauche dans certains domaines. Nous croyons que les intérêts de tous les Canadiens, et en particulier des plus vulnérables d'entre eux, ne seront pas servis si le gouvernement fédéral continue à refuser de participer directement au règlement de ces questions.



### *Increasing Our Understanding of the Federal Role*

We have noted that one of the factors deterring federal involvement in human services delivered through provinces is the invisibility and, hence, politically negative aspects of this role. The current federal response appears to be to withdraw from such services. We would like to suggest that there are effective examples of alternatives in other federal transfer programs such as housing and industrial incentives, where adequate publicity indicating the source of funds must be displayed. In Ontario, prominent signs in subway cars indicate that the municipal subway is heavily provincially subsidized. In other words, if people are unaware of the federal role—tell them. Tell them at tax time through advertising, and in the services themselves. We submit that this is a much better answer than to invite the service deterioration and balkanization that further federal withdrawals are likely to cause.

### *Public Participation—Public Education*

We are pleased that in this current review, a mechanism for public participation has been included. Nevertheless, it has been done in a very hasty manner. We have had less than six weeks' notice to prepare our brief and receive our board's criticism and approval of its contents. More importantly, this issue of federal-provincial fiscal arrangements, in all its complexity, lies at the heart of the Canadian reality. How shall we be one nation, yet with adequate flexibility for regional differences? How shall provinces retain the ability to take initiatives in meeting human need, especially if they are relatively poor? How can the federal government assure both equity and effectiveness in the services it funds, directly or indirectly?

The Social Planning Council views these issues as worthy of intensive public education efforts. We would urge the two senior levels of government to develop ways to more effectively inform Canadians of the manner in which services are funded and the problems inherent in such arrangements. National and regional conferences should be held to explore the problems and to invite consensus on various potential alternatives for their solution.

In any case, the current review should be seen for what it is—not a financial exercise in ledger-keeping, but a review of program funding mechanisms which will ultimately affect every Canadian for years to come.

Social Planning Council of Winnipeg  
May, 1981

### *Recommendations*

—That the federal government maintain its historic social policy role of establishing and sustaining minimum standards of human services across Canada.

### *Comprendre davantage le rôle du fédéral*

Nous avons remarqué qu'un des facteurs empêchant la participation du gouvernement fédéral aux services sociaux offerts par l'intermédiaire des provinces, c'est l'invisibilité de ce rôle et, partant, ses aspects politiquement négatifs. Pour l'instant, le gouvernement fédéral semble réagir en retirant son aide. Nous aimerions dire qu'il existe des solutions de rechange efficaces dans le cadre d'autres programmes de transferts fédéraux, tels les stimulants au logement et à l'industrie, où il est obligatoire de rendre publique la provenance des fonds. En Ontario, des écriteaux bien en vue dans les rames de métro annoncent que le service reçoit d'importantes subventions de la province. Autrement dit, si la population n'est pas au courant du rôle que joue le fédéral, il faut l'en informer. Il faut le lui signaler au moment de l'impôt par le biais de la publicité des services qui lui sont assurés. Nous sommes d'avis que cette réponse est de loin préférable à celle qui consiste à encourager la dégradation et la fragmentation des services que de nouveaux reculs du gouvernement fédéral sont susceptibles d'entraîner.

### *Éducation et participation du public*

Nous sommes heureux qu'on ait prévu dans le cadre de cette étude un mécanisme de participation du public, bien que le délai importe soit un peu court. En effet, nous avons eu moins de six semaines pour rédiger notre mémoire et le faire approuver par notre Conseil. Qui plus est, cette question des accords fiscaux entre le gouvernement fédéral et les provinces se situe dans toute sa complexité au cœur de la réalité canadienne. Comment devons-nous être une seule nation qui puisse se montrer malgré tout assez souple à l'égard des différences régionales? Comment les provinces doivent-elles conserver leur droit de prendre des initiatives leur permettant de répondre aux besoins de leur population, surtout si elles sont démunies? Comment le gouvernement fédéral se montre-t-il juste et efficace dans la prestation de ses octrois, que ce soit directement ou indirectement?

Le Conseil estime que ces questions valent la peine qu'on investisse beaucoup d'efforts pour informer le public. Nous encouragerions les deux paliers supérieurs de gouvernement à trouver des moyens leur permettant d'informer plus efficacement les Canadiens sur la façon dont les services sont financés ainsi que sur les problèmes inhérents aux accords. Des conférences nationales et régionales devraient être organisées afin d'approfondir les problèmes et d'obtenir le consensus sur les diverses solutions qui s'offrent pour les régler.

De toute façon, il faudrait considérer la présente étude pour ce qu'elle est: non pas un exercice financier de tenue de grand livre, mais une étude des mécanismes de financement des programmes qui auront finalement des répercussions sur tous les Canadiens pour les prochaines années.

Social Planning Council of Winnipeg  
Mai 1981

### *Recommendations*

—Que le gouvernement fédéral conserve son rôle traditionnel qui consiste à élaborer et à maintenir à l'échelle du Canada des normes minimales pour ce qui concerne la prestation de services sociaux.

—That a full review of the personal taxation system be undertaken to ascertain whether or not the current mix of indexation, deductions and tax expenditures is optimally effective in reaching federal social policy goals.

—That no cutbacks in real spending be made in the social affairs envelope of the federal government.

—That the federal government maintain current cost-sharing programs such as VRDP and CAP, and strongly consider conditional block parts for funding other social and health care programs.

—That the federal government seek to educate Canadians as to the impact of federal funding on both provincial budgets as a whole, and on specific services, such as medicare.

—That major regional conferences, similar to the recent national conference on pensions, be convened to explore a variety of solutions to current problems in funding human services.

This brief is formally endorsed by: The Social Planning Council of Winnipeg; Family Services of Winnipeg; The Society For Crippled Children and Adults of Manitoba; The Canadian Association for the Mentally Retarded (Manitoba Division and Winnipeg Branch); The Canadian Paraplegic Association, Manitoba Division; Citizen Advocacy Manitoba.

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2. Michael Mendelson, "The Selectivity Mistake", *Canadian Taxation*, 2(3), 1980, pp. 167-169.
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—Que soit entrepris un examen complet du système d'imposition des particuliers afin de déterminer si l'amalgame actuel de l'indexation, des déductions et des dépenses fiscales permet toujours d'atteindre les objectifs de la politique sociale du gouvernement fédéral.

—Que le gouvernement fédéral ne procède à aucune réduction des dépenses réelles dans son enveloppe des affaires sociales.

—Que le gouvernement fédéral conserve des programmes de frais partagés comme ceux qui s'adressent à la réadaptation professionnelle des invalides et le PAC et songe fortement à verser des subventions conditionnelles pour financer d'autres programmes sociaux et de soins de santé.

—Que le gouvernement fédéral tente d'informer les Canadiens des répercussions que le régime fédéral de financement a sur les budgets provinciaux dans leur ensemble de même que sur des services précis comme les Régimes d'assurance maladie.

—Que soient organisées d'importantes conférences régionales, semblables aux conférences qui ont récemment été tenues pour étudier la question des pensions, afin de trouver diverses solutions aux problèmes que suscite à l'heure actuelle le financement des services sociaux.

Le présent mémoire est appuyé officiellement par: The Social Planning Council of Winnipeg; Family Services of Winnipeg; The Society for Crippled Children and Adults of Manitoba; L'Association canadienne pour les déficients mentaux (Division du Manitoba et Section de Winnipeg); Association canadienne des paraplégiques, Division du Manitoba; Citizen Advocacy Manitoba.

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## APPENDIX "FISC-34"

Legal Aid Lawyers Association  
Winnipeg, Manitoba

SUBMISSION TO THE PARLIAMENTARY  
TASK FORCE ON FEDERAL-PROVINCIAL  
FISCAL ARRANGEMENTS

May 20th, 1981  
Winnipeg

## INTRODUCTION

The Legal Aid Lawyers Association represents staff attorneys and articling students employed by Legal Aid Manitoba in Winnipeg, Brandon, Dauphin, The Pas and Thompson. Presently we have 30 members. The Association acts as bargaining agent for Legal Aid lawyers in collective agreement negotiations with the government, and is an affiliate of the Canadian Union of Public Employees.

The Association does not in any way speak on behalf of Legal Aid Manitoba, the official legal services plan in this province, nor does it speak on behalf of the Bar generally. We believe that we have a unique point of view, and we hope that our experience will be of some use to the Task Force. As advocates for poor people, we are first hand observers of the difficulties our clients encounter with the legal system and with government programs such as the one you are examining today. Our particular focus in this presentation is on the Canada Assistance Plan.

Unfortunately, your terms of reference are very restricted. You have been asked to examine expenditures, but not revenues. We will therefore present to you our comments on the administration of social assistance, but the so called "hidden welfare system", which is undoubtedly in need of greater attention, will have to be ignored.

You are constrained to conduct your inquiries within the context of the October, 1980 Budget, which called for a reduction of 1.5 billion dollars in the social affairs envelope over the next two years. The Minister of Finance has said that the precise manner in which these cuts will be made has not yet been determined. The Legal Aid Lawyers Association believes that such a reduction is bound to effect low income people no matter what the mechanics of the budgeting process may be. We submit that this proposed action is inequitable and indefensible.

Our brief begins by describing the increase in welfare services provided in Manitoba since the inception of the Canada Assistance Plan. We recognize that these services alone will never accomplish the goal of eliminating poverty, but it is worthwhile to review these programs, which try to address the basic needs of people, because it seems that these basic services for Manitoba citizens are now in jeopardy.

As the Task Force is well aware, Manitoba is not one of the provinces contributing to the "fiscal imbalance" between levels of government. Without the 50-50 cost sharing provisions now

## APPENDICE «FISC-34»

Legal Aid Lawyers Association  
Winnipeg (Manitoba)

MÉMOIRE PRÉSENTÉ AU  
GROUPE DE TRAVAIL PARLEMENTAIRE SUR LES  
ACCORDS FISCAUX ENTRE LE GOUVERNEMENT  
FÉDÉRAL ET LES PROVINCES

Le 20 mai 1981  
Winnipeg

## INTRODUCTION

L'Association des avocats de l'aide juridique (Legal Aid Lawyers Association) représente les avocats attitrés et les stagiaires à l'emploi de l'aide juridique du Manitoba à Winnipeg, Brandon, Dauphin, Le Pas et Thompson. Nos membres sont actuellement au nombre de trente. L'Association représente les avocats de l'aide juridique lors de négociations collectives avec le gouvernement, et est affiliée au Syndicat canadien des employés de la Fonction publique.

Notre association ne parle pas ici au nom de l'Aide juridique du Manitoba, qui est un service juridique officiel de la province, ni au nom du Barreau de façon générale. Nous pensons que notre point de vue est inédit et espérons que notre expérience pourra être de quelque utilité à votre groupe de travail. En tant qu'avocats des défavorisés, nous sommes les premiers témoins des difficultés éprouvées par nos clients lorsqu'ils ont affaire à la législation et aux programmes gouvernementaux comme celui que vous étudiez aujourd'hui. C'est le Régime d'assistance publique du Canada qui va retenir plus particulièrement notre attention dans ce mémoire.

Votre mandat, malheureusement, est très limité. Vous avez été invités en effet, à faire un examen des dépenses, mais non des recettes. Nous allons donc vous présenter nos observations sur le système d'assistance sociale, sans toutefois prendre en considération ce qu'il est convenu d'appeler "le bien-être social occulte", qui mériterait, sans doute, une plus grande attention.

Vous êtes contraints d'organiser vos travaux dans le contexte du budget d'octobre 1980 qui prévoyait une réduction de \$1.5 milliard, de l'enveloppe des affaires sociales pour les deux années à venir. Le Ministre des Finances a déclaré qu'on n'avait pas encore fixé les modalités et les détails de ces compressions. Notre association est convaincue que les couches défavorisées de la population seront les premières touchées par ces mesures, quel qu'en soit le dispositif de mise en œuvre. Cette action gouvernementale est, à notre avis, injuste et indéfendable.

Notre mémoire traitera d'abord de l'extension prise par les services sociaux au Manitoba depuis l'adoption du Régime d'assistance publique, qui, nous l'admettons, ne sera jamais en mesure de venir seul, à bout de la pauvreté, mais il serait utile de revoir ces programmes destinés à répondre aux besoins essentiels des manitobains à cause de la menace qui pèse sur ces services.

Le groupe de travail n'ignore certainement pas que le Manitoba ne fait pas partie des provinces qui pèsent sur «le déséquilibre budgétaire» entre les niveaux de gouvernement. Par ail-



contained in C.A.P., is uncertain how much of Manitoba's welfare program would remain in place.

The second part of our brief deals with the ideal—which seems to have become merely the myth—that the Federal Government should establish and guarantee minimum standards across the country with respect to social services. We examine the basic welfare rights which were proclaimed in the Federal Legislation, and in particular, the right of welfare recipients to an appeal system within which the decisions of government administration may be challenged.

#### THE EFFECT OF C.A.P. ON WELFARE SERVICES

The Canada Assistance Plan (C.A.P.) represents a recognition on the part of the Parliament of Canada that "the provision of adequate assistance to and in respect of persons in need and the prevention and removal of the causes of poverty and dependence on public assistance are the concern of all Canadians."<sup>1</sup> The intended purpose of C.A.P. was that of "encouraging the further development and extension of assistance and welfare services programs throughout Canada . . ."<sup>2</sup> Parliament hoped to achieve this purpose by "sharing more fully with the provinces in the cost thereof"<sup>3</sup>, namely, the cost of developing and extending assistance and welfare services.

We agree that poverty and the concomitant need for assistance programs is and should be a concern of all Canadians and thereby a concern of the Federal Government. Indigent people in Canada, regardless of whether they live in a have or have-not region, have a right to adequate assistance in their plight. The federal commitment with regard to the provision of adequate assistance to those in need and the prevention and removal of the causes of poverty must continue and increase rather than be diminished in either amount or form.

The original purpose of C.A.P., to further develop and extend assistance and welfare programs, continues to be important and necessary. In Manitoba, federal transfer payments in this area have coincided with expansion in welfare services. We believe that the extent of such expansion would not have occurred or have been possible without the substantial federal contribution.

One example of expansion of an existing service can be found in the Social Allowance Program. In 1964-65, prior to C.A.P., Social Assistance was provided to the following categories of people:

1. Widows and their children, and to orphans;
2. Physically or mentally disabled persons and their dependents;
3. Families where the breadwinner had deserted for 4 or more years;
4. Persons 65 years of age or older and their dependents;

leurs, sans les dispositions de participation à parts égales au financement du Régime d'assistance-publique du Canada, l'avenir du programme de bien-être social manitobain serait très incertain.

La deuxième partie de notre mémoire traitera de cet objectif idéal, aujourd'hui un mythe complet, voulant que le gouvernement fédéral impose et garantisse des normes minimales dans tout le pays en matière de services sociaux. Nous examinerons les droits fondamentaux définis par la législation fédérale en matière d'assistance et de bien-être social, et notamment le droit des bénéficiaires à faire appel des décisions de l'administration.

#### LES RÉPERCUSSIONS DU RÉGIME D'ASSISTANCE PUBLIQUE DU CANADA SUR LES SERVICES SOCIAUX

Le Régime d'assistance publique du Canada atteste que le Parlement fédéral reconnaît que «l'instauration de mesures convenables d'assistance publique à l'intention des personnes nécessiteuses et la prévention et l'élimination des causes de la pauvreté et de la dépendance envers l'assistance publique intéressent tous les Canadiens».<sup>1</sup> Le Régime d'assistance publique se proposait d'encourager l'amélioration et l'élargissement des régimes d'assistance publique et des services de bien-être social dans tout le Canada . . .<sup>2</sup> Le Parlement espérait y parvenir en partageant dans une plus large mesure avec les provinces les frais de ces programmes<sup>3</sup> c'est-à-dire le coût de leur application et de leur extension.

Nous reconnaissons en effet que tous les Canadiens, et de ce fait, le gouvernement fédéral, devraient se sentir concernés par le problème de la pauvreté et la nécessité de mettre en place des programmes d'assistance et il est vrai que les couches défavorisées de la population canadienne, qu'elles appartiennent à une région riche ou pauvre, ont droit à des services d'assistance. Il s'en suit que les engagements du gouvernement fédéral en matière de services d'assistance et en ce qui concerne l'élimination et la prévention des causes de la pauvreté, doivent être tenus et que ses efforts doivent être intensifiés au lieu d'être réduits.

Le but initial du Régime d'assistance publique, qui consiste à développer et élargir les services d'assistance et de bien-être social, garde toute sa valeur. Au Manitoba, les paiements de transfert du gouvernement fédéral alimentant ce secteur, ont coïncidé avec une extension des services sociaux et nous pensons que cet élargissement n'aurait pas été possible sans la contribution fédérale.

Le programme d'allocation sociale (Social Allowance Program) en est un exemple. En 1964-1965, avant le Régime d'assistance publique, l'assistance sociale était consentie aux catégories suivantes:

1. veuves et enfants à charge et orphelins;
2. handicapés mentaux et physiques et personnes à charge;
3. familles dont le soutien a quitté la famille depuis quatre ans ou plus;
4. personnes âgées de 65 ans et plus et personnes à charge;

5. Children declared neglected under Part IV of The Child Welfare Act;

6. Unemployed and unemployable residents of unorganized territories;

7. Persons or families indigent in Manitoba but without residence in any Manitoba municipality who have been granted assistance by a municipality;

8. Indigent persons who are residents of a municipality and have been granted assistance by that municipality to the extent of at least 50 per cent of the cost of assistance granted.<sup>4</sup>

In 1967-68 these categories were expanded. Families where the breadwinner had deserted for more than *one year* rather than more than *four years* became eligible. As well, families where the breadwinner had been sentenced to jail for one year or more were included. A new category of unmarried mothers caring for two or more of their children in their homes was added. The extension of the program resulted in an increase in applications and enrollments in the Social Allowance program.<sup>5</sup>

As well, in 1967-68 there was recognition of the need and demand for education and training in preparation for employment. Assistance to children of families in the program was extended beyond the age of 18 to allow these children to continue their education.<sup>6</sup>

By 1970, the category of assistance relating to mothers was further expanded to include unmarried mothers with one child, mothers who had been deserted for three months or their husband imprisoned for over three months.<sup>7</sup> As well, a new category of persons taking undergraduate academic or technical vocational training was added.<sup>8</sup>

In addition to the broadening of the categories of persons eligible for Social Allowance there has also been an expansion in programs and special projects. In 1967-68 the Social Allowances Program became involved in "ventures into the field of prevention of rehabilitation in circumstances where need exists, but where regular policy or procedure does not meet it."<sup>9</sup> These included:

(a) Assistance to employed persons with disabled dependents to cover the costs of homemaker service, nursing, home care, or health services, where such costs could not be met by the breadwinner's income;

(b) Assistance to families with a mentally retarded child to cover home care costs as an alternative to placement in the Portage Training School;

(c) Motherless families here assisted with costs of Family Bureau homemakers.<sup>10</sup>

In 1975 the Division of Social Security was created to "centralize and nationalize all income related programs and to assist larger numbers of Manitobans in finding and holding jobs as an alternative to being solely dependent on social assistance."<sup>11</sup> During 1975 the Income Security Branch of the Division of Social Allowances continued to operate the Work Incentive Program which had been introduced prior to the

5. enfants négligés conformément à la définition de la partie 4 du Child Welfare Act (Loi d'assistance publique à l'enfance);

6. les résidents chômeurs ou inaptes au travail des territoires non organisés;

7. les personnes ou les familles indigentes du Manitoba, sans résidence dans une municipalité manitobaine, mais ayant bénéficié d'une assistance municipale,

8. les indigents résidents d'une municipalité dont ils ont reçu une aide, jusqu'à concurrence d'au moins 50 p. 100 de l'aide accordée.<sup>4</sup>

En 1967-1968, ces catégories ont été élargies. Lorsque le soutien de famille avait disparu depuis plus d'une année au lieu de quatre ans, la famille avait droit à l'assistance. Il en était de même lorsque le soutien de famille avait été condamné à une peine d'emprisonnement d'un an ou plus. On a généralement pris en compte une nouvelle catégorie: les mères célibataires ayant à domicile, deux ou plusieurs enfants à charge. Cet élargissement du programme s'est traduit par un accroissement des demandes et des prises en charge au titre du programme des allocations sociales.<sup>5</sup>

Encore en 1967-1968, le besoin, et la demande de services de formation et de préparation à la vie professionnelle a été reconnu. Les familles dont les enfants bénéficiaient d'une assistance, ont vu cette aide prolongée au-delà de la 18<sup>e</sup> année afin que les enfants puissent continuer leur éducation.<sup>6</sup>

A partir de 1970, l'assistance aux mères a été également élargie de façon à inclure les mères célibataires avec un enfant à charge, les mères abandonnées depuis au moins trois mois ou dont le mari est emprisonné depuis plus de trois mois.<sup>7</sup> On a également ajouté les personnes qui suivent un enseignement universitaire du premier cycle, ou un cours de formation professionnelle.<sup>8</sup>

Parallèlement à cet élargissement des catégories bénéficiant des allocations sociales, d'autres programmes et projets spéciaux ont été étendus. En 1967-1968 le Programme des allocations sociales a été associé à des initiatives de prévention ou de réadaptation, là où le besoin s'en faisait sentir et lorsque les modalités et les moyens existants étaient insuffisants. Ces initiatives comprenaient:

a) l'assistance à des travailleurs ayant des personnes handicapées à charge, couvrant les dépenses d'aide à domicile, les soins infirmiers, les services de soins à domicile et les services de santé lorsque ces dépenses dépassaient les possibilités budgétaires du ménage;

b) l'assistance aux familles ayant un enfant handicapé mental, couvrant les frais de garde à domicile, au lieu de confier l'enfant à la Portage Training School;

c) une aide aux familles sans mère pour couvrir les frais d'assistance du Family Bureau.<sup>10</sup>

En 1975, le Service de la sécurité sociale a été créé pour «centraliser et uniformiser au niveau national tous les programmes de soutien du revenu, et pour aider une plus grande fraction de la population manitobaine à trouver et conserver un emploi et briser la dépendance exclusive envers l'assistance sociale».<sup>11</sup> Au cours de l'année 1975, le Service de la sécurité du revenu (Income Security Branch) de la Division des alloca-



reorganization. The Work Incentive Program provided recipients of Social Allowance with incentive to find and retain employment by allowing the recipient some financial gain from employment while on assistance.<sup>12</sup> As well, Employment Services was established to assist individuals in finding and maintaining employment.<sup>13</sup> Similarly, Work Activity Projects, which were basically training programs, were continued.<sup>14</sup> Finally, the Day Care Program which had been introduced in 1974 was substantially developed in 1975 according to the guidelines of the Canada Assistance Plan.<sup>15</sup>

Likewise, 1980 saw the extension of existing programs and the introduction of new programs such as the Child Related Income Support Program. Benefit to Social Assistance recipients would be covered by C.A.P. The Day Care Program was expanded to include: noon and after school care, additional pre-school care, as well as assistance for handicapped children.<sup>16</sup>

The Canada Assistance Plan authorizes federal contributions toward provincial and municipal expenditures for welfare services which lessen, remove or prevent poverty, child neglect or dependence on social assistance. Such services would include rehabilitation services, casework, counselling and assessment services, homemaker and day care services and community development.<sup>17</sup> Thus, the cost of the majority of the programs discussed above would qualify for federal contribution under the Canada Assistance Plan. In addition, costs relating to administration, secretarial and clerical functions, staff training, consultation, research and evaluation, relating to welfare programs are covered<sup>18</sup> thus allowing for the development and expansion of many of these programs.

In 1966-67 the Federal Government contributed \$503,799.00 to Manitoba under the Canada Assistance Plan. In 1978-79, the Federal Government contribution was \$10,188,308.00.<sup>19</sup> Without substantial contribution by the Federal Government throughout the years C.A.P. has existed, it is doubtful that the expansion and development of welfare services in Manitoba would have been possible.

While acknowledging the improvement in welfare services in Manitoba to date, we are not content with the present level. Our clients require more assistance in dealing with their poverty and we encourage greater development and expansion in this area. Without continued federal participation, this will not be possible. Greater federal contribution, rather than less is needed.

The present formula for calculating federal contribution is satisfactory and should be continued. It provides the Provincial Government with incentive to utilize provincial monies in this area, in that it will receive 50 per cent of its expenditure from the Federal Government.

tions sociales a continué à administrer le Work Incentive Program (Programme d'incitation au travail) qui avait été mis en œuvre avant la réorganisation. Le programme d'incitation au travail (Work Incentive Program) visait à motiver les bénéficiaires de l'allocation sociale, en leur permettant de percevoir parallèlement aux prestations de l'assistance, un certain salaire<sup>12</sup>. De même, les services de l'emploi ont été organisés pour aider les personnes à trouver et à conserver un emploi<sup>13</sup>. Par ailleurs, les Projets d'adaptation au travail—en fait des programmes de formation—ont été poursuivis.<sup>14</sup> Finalement, le programme de garderie, adopté en 1974, a été étendu de façon considérable en 1975, conformément aux directives du Régime d'assistance publique du Canada.

L'année 1980 a également été une année d'élargissement des programmes mis en place, et d'adoption de programmes nouveaux, tel que le Child Related Income Support Program (programme de soutien du revenu au bénéfice des personnes ayant des enfants). Les versements aux bénéficiaires de l'assistance sociale étaient couverts par le RAPC. Le programme de garderie a également été élargi afin d'inclure: la garde à l'heure de midi et après l'école, une garderie supplémentaire pour les enfants en âge préscolaire, ainsi qu'une assistance aux enfants handicapés.<sup>16</sup>

Le Régime d'assistance publique du Canada autorise l'administration fédérale à participer aux dépenses sociales des provinces et des municipalités destinées à lutter contre la pauvreté et ses causes, à protéger les enfants négligés et à diminuer l'état de dépendance envers l'assistance sociale. Ces services comprennent la réintégration, réadaptation, des services de conseil et d'orientation, des services d'aide à domicile et de garderie, ainsi que des installations communautaires<sup>17</sup>. Il résulte de ce qui précède, que la majorité des programmes mentionnés ci-dessus bénéficieraient d'une aide fédérale au titre du Régime d'assistance publique qui prévoit par ailleurs que les frais d'administration, de secrétariat, de formation du personnel, de consultation, de recherches et d'évaluation, occasionnés par ces programmes d'assistance sociale seront pris en charge<sup>18</sup>, afin de permettre que nombre d'entre eux soient mis en œuvre et étendus.

Pour l'exercice 1966-1967, le gouvernement fédéral a versé \$503 799 au Manitoba au titre du Régime d'assistance publique. En 1978-1979, sa contribution a été de \$10 188 308.<sup>19</sup> Sans cette participation importante du gouvernement fédéral depuis l'existence du RAPC, il est peu probable que les services sociaux du Manitoba aient pu se développer comme ils l'ont fait.

Tout en reconnaissant donc les améliorations des services de bien-être au Manitoba, nous ne sommes pas satisfaits de l'état présent des choses. Nos clients réclament une aide accrue pour lutter contre la pauvreté, et nous demandons également que l'on étende et élargisse envers ces programmes. Une contribution fédérale soutenue est donc indispensable. C'est d'une intensification de l'aide fédérale qu'il doit être question, et non du contraire.

La formule actuelle qui fixe la contribution fédérale est satisfaisante et devrait être maintenue. Elle encourage en effet la province à consacrer des crédits à ce secteur puisque le fédéral y contribue à raison de 50 p. 100.



We oppose the introduction of a block-funding system. We fear that such a system would result in a decrease and stagnation of the welfare services in Manitoba.

#### MINIMUM STANDARDS UNDER THE CANADA ASSISTANCE PLAN

The Canada Assistance Plan had a direct and appreciable effect on the granting of assistance in Manitoba even before it received final Royal assent. A month before the Plan was enacted, Manitoba amended its Social Allowances Act in contemplation of the Plan's provisions. Officials were, for the first time, forced by law to follow the regulations, and no longer had a completely arbitrary power to grant or deny assistance. The protection of the provincial appeal board was extended to municipal relief recipients as well as provincial social allowance beneficiaries.

The Plan permitted Manitoba's New Democratic Government in 1969 to dramatically raise social allowance rates by 40 per cent after a decade of virtually no increases. It also permitted that government to protect allowances from inflation through to 1977. Unfortunately, the government which took office in that year has not seen fit to make similar use of the Plan, and has allowed inflation to erode allowances to the extent that they now provide 20 per cent less than in 1977.

Nevertheless, the Plan has not fulfilled its full potential to extend and improve assistance in Manitoba because inadequate federal enforcement and imprecise wording in the legislation has resulted in the province never having to fully observe its undertakings contained in its cost-sharing agreement.

That agreement requires that the province comply with three main promises regarding assistance: to provide financial aid to every person in need in the province in an amount which "takes into account" their basic requirements; not to require a period of residency as a condition of receiving assistance; and the provision of a "procedure for appeals".

Manitoba has never fully complied with the first, and most important, of these undertakings. According to the Plan, it is the provincial authority which must determine adequate levels of assistance in the province.<sup>20</sup> In our view, Manitoba has illegally delegated this power to each of its many municipalities in the case of many persons in need. The result has been that municipal recipients receive far less for their basic requirements of life than provincial recipients even though their needs are the same.

The federal authorities administering the Plan have never objected to this massive failure to provide municipal recipients with their basic requirements. They have not questioned this unlawful delegation despite an express reference to the situation in a judgment of the Supreme Court of Canada.<sup>21</sup>

Furthermore, every penny of municipal relief is a loan and not a grant.<sup>22</sup> It is questionable whether the Plan contemplates that loans may qualify for cost-sharing.

Nous nous opposons à l'adoption d'un système global de financement. Nous craignons qu'il ne se traduise par un déclin et une stagnation des services sociaux du Manitoba.

#### LES NORMES MINIMALES ET LE RÉGIME D'ASSISTANCE PUBLIQUE DU CANADA

Même avant de recevoir la sanction royale, le Régime d'assistance publique a eu des effets directs et positifs sur l'aide sociale au Manitoba. Un mois avant son adoption, le Manitoba avait modifié la loi provinciale sur les allocations sociales en prévision des nouvelles dispositions du régime. Les responsables des services sociaux ont été pour la première fois légalement contraints de suivre les règlements, et perdaient leur pouvoir de décider de façon totalement arbitraire de l'allocation ou du refus de l'aide. Par ailleurs, les bénéficiaires de l'aide municipale aussi bien que ceux qui percevaient l'allocation sociale provinciale pouvaient faire appel auprès de la Commission d'appel provinciale.

Après une décennie de stagnation, l'allocation sociale a pu être relevée de 40 p. 100 en 1969 par le gouvernement néo-démocrate de la province, comme suite à l'adoption du Régime d'assistance publique du Canada. Ce dernier a également permis au gouvernement provincial de protéger les allocations des effets de l'inflation jusqu'en 1977. Malheureusement, le gouvernement suivant n'a pas jugé d'utiliser le Régime de la même façon, si bien que l'inflation a miné les allocations sociales dont le montant est aujourd'hui de 20 p. 100 inférieur à ce qu'il était en 1977.

Toutefois, le Régime n'a pas donné tous les résultats escomptés en matière d'expansion et d'amélioration de l'assistance au Manitoba, en raison d'une surveillance fédérale insuffisante et d'une rédaction imprécise de la loi, ce qui a permis à la province de se soustraire à ses engagements en matière de partage des frais.

L'accord sur le partage des frais exige que la province s'entienne à trois points en matière d'assistance: fournir à toute personne nécessitant une aide financière qui «tienne compte» de ses besoins fondamentaux; n'imposer au bénéficiaire aucune condition relative au temps de résidence dans la province; respecter les dispositions de la procédure d'appel.

Le Manitoba n'a jamais respecté la première condition qui est aussi la plus importante. D'après le Régime, c'est aux autorités provinciales qu'il incombe de calculer à quel niveau doit être fixée l'assistance dans la province.<sup>20</sup> A notre avis, le Manitoba a, dans bien des cas, illégalement délégué ce pouvoir à chacune de ses nombreuses municipalités. Il en résulte que de nombreux bénéficiaires municipaux reçoivent beaucoup moins pour les nécessités de la vie que les bénéficiaires provinciaux, même si leurs besoins sont les mêmes.

Les autorités fédérales chargées de l'administration du régime ne se sont jamais élevées contre ce manque flagrant d'aide aux bénéficiaires municipaux pour combler leurs besoins fondamentaux. Elles n'ont pas remis en question cette délégation illégale de pouvoir malgré un renvoi exprès à cette situation dans un jugement de la Cour Suprême du Canada.<sup>21</sup>

De plus, chaque sou d'assistance municipale est accordé à titre de prêt et non d'octroi.<sup>22</sup> Il est à se demander si le régime envisage de considérer les prêts comme faisant partie des programmes à frais partagés.

Even those who qualify for provincial assistance are not assured of receiving their basic requirements. If they mistakenly receive too much allowance, even if the mistake was entirely by the government, their families are then deprived of some of their basic necessities for as long as it takes until two wrongs make a right.

The promise not to require a period of residence has not caused the Province of Manitoba to remove the restriction of assistance under the Social Allowances Act to Manitoba residents.<sup>23</sup> In practice, new arrivals in the provinces are called "transients" and are lent assistance by municipalities, often under restrictive circumstances in order to discourage continued residence in the area.

Numerous efforts to challenge breaches in the Canada Assistance Plan have failed because the courts have not allowed individual litigants to enforce contractual agreements between governments.<sup>24</sup>

#### THE RIGHT OF APPEAL

The Canada Assistance Plan and Agreement require Provinces who wish to participate in, and benefit under, the Plan to have in place a procedure by which individuals may appeal from decisions which terminate or vary their social assistance payments. This procedure is, in our opinion, essential to ensure fair and equitable treatment for those applying for, or in the receipt of, social allowance.

The section of the Social Allowances Act which provides for an appeal procedure was proclaimed in October, 1961. For the nine year period from 1961 to 1969, a total of 143 appeals were filed with the Social Services Advisory Committee, an average of 16 per year. However, since 1969 the number of appeals has increased substantially with 4,549 appeals being filed in the nine years following 1969, an average of 505 320 appeals were filed against per year. In 1979 and 1980, 332 and decisions of the Provincial Director of Welfare.

Given the volume of appeals being taken to the Appeal Board, we feel that it is imperative to draw to this Committee's attention some of the serious problems which are encountered by appellants, problems which by their effect often make the appeal procedure a frustrating and meaningless exercise for the appellant.

We do not believe that, as it is presently constituted, the Appeal Board has among its members any persons who are, or have been, in receipt of social assistance. It is our opinion that participation by such individuals in the decision-making process would be valuable and that their presence would provide balance and credibility to the Board.

Because all Appeal Board members are appointed by the Provincial Government, decisions of the Board tend to reflect the philosophy of the prevailing administration. During the N.D.P. years, 1970-77, 1142 appeals were allowed and 1308 were dismissed. By contrast, since the election of the Con-

Même les personnes qui peuvent se prévaloir de l'assistance provinciale ne sont pas assurées d'obtenir l'aide nécessaire pour combler leurs besoins les plus fondamentaux. Si elles reçoivent par erreur trop de prestations, même si l'erreur est entièrement imputable au gouvernement, leur famille sera par la suite privée de certaines nécessités de la vie pendant le temps qu'il faudra pour rembourser les prestations versées en trop.

Malgré l'engagement de ne plus tenir compte de la période de résidence, la province du Manitoba n'a pas cessé de maintenir cette restriction pour les résidents manitobains en vertu de la loi dite Social Allowances Act<sup>23</sup>. En fait, les nouveaux arrivants dans la province sont considérés comme des personnes en transit, et ce sont les municipalités qui leur accordent de l'aide, souvent dans des circonstances restrictives, de manière à décourager les bénéficiaires de demeurer dans la région.

De nombreux efforts pour contester des lacunes du Régime d'assistance publique du Canada ont été déployés en vain parce que les tribunaux n'ont pas permis aux plaideurs individuels de faire respecter des accords contractuels intervenus entre les gouvernements<sup>24</sup>.

#### LE DROIT D'APPEL

Selon le Régime d'assistance publique du Canada et l'accord le concernant, les provinces qui désirent y participer et en bénéficier doivent disposer d'un mécanisme pour permettre aux individus d'en appeler des décisions qui mettent un terme à leurs prestations ou qui en modifient le montant. A notre avis, ce mécanisme est essentiel pour assurer un traitement juste et équitable des personnes qui demandent ou qui reçoivent un assistance sociale.

L'article de la loi dite Social Allowances Act prévoyant un mécanisme d'appel a été proclamé en octobre 1961. Dans la période de neuf ans entre 1961 et 1969, 143 appels ont été interjetés au total auprès du Comité consultatif des services sociaux, ce qui donne une moyenne de 16 par année. Par ailleurs, depuis 1969, le nombre d'appels a augmenté substantiellement; en effet, 4 549 appels ont été interjetés dans les neuf années après 1969, soit une moyenne de 505 par année. En 1979 et 1980, 332 et 320 appels respectivement ont été portés contre des décisions du Directeur provincial du bien-être.

Compte tenu du nombre d'appels dont est saisi le comité d'appel, nous estimons qu'il est impératif d'attirer l'attention de votre comité sur quelques-uns des graves problèmes auxquels se heurtent les requérants, problèmes qui, par leur effet, font du mécanisme d'appel un exercice frustrant et insignifiant pour le demandeur.

Nous ne croyons pas que dans sa composition actuelle, le comité d'appel compte parmi ses membres une personne qui reçoit ou qui a déjà reçu une aide sociale. A notre avis, la participation d'une telle personne au processus de prise de décision serait utile et sa présence assurerait équilibre et crédibilité au sein de la Commission.

Étant donné que tous les membres du comité d'appel sont nommés par le gouvernement provincial, les décisions qu'ils prennent tendent à refléter les principes de l'administration. Alors que le NPD était au pouvoir, entre 1970 et 1977, 1 142 appels ont été retenus et 1 308 rejetés. Par ailleurs, depuis



servative government, 180 appeals have been allowed, and 429 dismissed. Thus, the success ratio for welfare appellants is now running at 30 per cent. Previously, recipients could look forward to an average of 46 per cent successful appeals.

These figures are in accordance with our experience as counsel before the Appeal Board. In general, the Board is hostile, insulting and sceptical in its approach to welfare recipients. On difficult cases, it has become a rubber stamp for the Department. It consistently refuses to give any reasons for its decisions. The operation of the Board is an affront to the administration of justice, but worse, it is a tragedy for a welfare recipient having a dispute with his or her welfare administrator.

A federal role in C.A.P. must involve steps towards evening out such drastic fluctuations in the quality of Appeal Board decision making. Requiring recipients to sit on the Board might be one approach. Others might involve some form of independent appointments, the requirement for some legally trained persons to sit on the Board, and requirements for more liberal judicial review of Appeal Board decisions. Unless some changes are made soon, our Association believes that the right of appeal in Manitoba will become a dead letter.

Amendments to the Social Allowances Act in July, 1980 incorporated into the legislation the requirement that a potential appellant be informed that he or she has the right to counsel of his or her choice at the hearing of the appeal. It is our experience in the City of Winnipeg that this requirement is not, as yet, being met.

Prior to the amendment of the Act, the Director was required to provide an appeal form to those applicants or recipients whose assistance was being terminated or varied. In 1980, this was eliminated, and the Director's obligation now is only to give notice of the right of appeal. An appellant now has to attempt to obtain a notice of appeal and file it with the Appeal Board him or herself. This is, in our opinion, frequently an onerous task for many individuals and one which may deter some from appealing a decision affecting them because they are unfamiliar with the proper procedure to follow. Perhaps if the mandatory notification of the right to counsel were being complied with this problem would be eliminated to some extent.

Procedure at the hearing of a welfare appeal follows no particular format. There is no reporter or transcript, witnesses are not sworn in, and the rules of evidence are not followed. The result is that many appeals are dismissed on the basis of what is often untrustworthy evidence, hearsay and even anonymous letters and statements. There is no power to subpoena, and therefore, the appellant's right to cross-examine and challenge what is alleged by the authorities is severely limited. Unless the appellant or his or her counsel request a copy of the Department's documentation prior to the hearing, the case being made against the appellant is not known until just before the hearing, and while it is possible to request an adjournment for the purposes of proper preparation, it must be remembered

l'élection du gouvernement conservateur, 180 appels ont été acceptés et 429 rejetés. Le taux de réussite pour les appelants se situe maintenant à 30 p. 100. Auparavant, les bénéficiaires pouvaient espérer avoir gain de cause dans 46 p. 100 des cas.

Ces chiffres sont conformes à ce que nous avons vu à titre d'avocat auprès du comité d'appel. En général, le comité affiche une attitude hostile, insultante et sceptique à l'égard des prestations du bien-être. Dans les cas difficiles, il ne fait qu'entériner les décisions du Ministère et il refuse constamment de communiquer les motifs de ses décisions. La façon dont fonctionne le comité constitue un affront pour l'administration de la justice, mais pire encore, c'est une tragédie pour les bénéficiaires de l'assistance sociale qui sont aux prises avec l'administrateur responsable de leur cas.

Le rôle du gouvernement fédéral dans la mise en œuvre du Régime d'assistance publique du Canada doit comporter des mesures visant à aplanir les écarts si marqués dans les décisions du comité d'appel. Exiger des bénéficiaires de participer aux décisions du comité pourrait être une façon de remédier à la situation. Parmi les autres solutions, il y aurait la nomination de membres indépendants du comité, la participation obligatoire de quelques personnes ayant des connaissances juridiques au sein du comité et un examen judiciaire plus libéral des décisions du comité d'appel. À moins que certaines modifications ne soient apportées bientôt, notre association craint que le droit d'appel au Manitoba ne devienne lettre morte.

Selon les modifications apportées en juillet 1980 à la loi dite *Social Allowances Act*, on est tenu d'informer un appellant éventuel de son droit aux services d'un avocat de son choix lors des procédures d'appel. Nous savons pertinemment qu'à Winnipeg cette règle n'est pas encore respectée.

Avant que la loi ne soit modifiée, le Directeur était tenu de remettre une formule d'appel aux requérants ou bénéficiaires dont les prestations étaient interrompues ou modifiées. En 1980, cette règle a été supprimée et aujourd'hui le directeur doit simplement aviser les intéressés de leur droit d'interjeter appel. Un appellant doit maintenant trouver le moyen d'obtenir un avis d'appel et de le présenter lui-même au comité. À notre avis, pour de nombreuses personnes, c'est une tâche souvent onéreuse qui peut en décourager plusieurs d'entre eux d'en appeler d'une décision parce qu'ils ne connaissent pas la marche à suivre. Si l'avis obligatoire du droit d'interjeter appel était communiqué comme l'exige la loi, ce problème serait éliminé dans une certaine mesure.

La procédure des audiences dans les cas d'appel en matière de bien-être social ne suit aucune démarche particulière. Il n'y a ni sténographe, ni transcription des procédures, les témoins ne sont pas assermentés, et les règles de la preuve ne sont pas respectées. En conséquence, de nombreux appels sont rejetés à cause de preuves souvent jugées non dignes de foi, de ouï-dire et même de lettres et de déclarations anonymes. Il n'existe aucun pouvoir d'assignation à comparaître, ce qui fait que le droit de l'appellant de contre-interroger et de contester les allégations des autorités s'en trouve considérablement diminué. À moins que l'appellant ou son avocat ne demande une copie du dossier du ministère avant la tenue des procédures, on ne saura en quoi consistent les arguments de la partie administra-



that many, if not most, appellants are not in a financial position to defer the decision any longer.

The Canada Assistance Plan requires that participating provinces provide the "basic necessities" by way of social assistance payments to those who are eligible. However, in at least two situations this is not being done. The first is when an overpayment has been assessed against a recipient of assistance. As referred to earlier, even when this has resulted from a departmental error, up to 5 per cent of the monthly allowance can be deducted directly from the assistance payment, thus leaving the client with less than what, by government regulation, has been determined as the amount necessary to meet basic needs. The second such area is one which relates directly to the appeal procedure itself. Once a decision to terminate or vary assistance has been made and an appeal has been filed, there is no statutory right to interim assistance pending the Appeal Board's decision. Frequently, the appellant will receive some assistance from either the municipality or the provincial authorities, but generally, major expenditures such as rent and utilities are not paid, thus placing the individual in an even more precarious financial position. Since two of the minimum standards outlined in Section 6 of the Canada Assistance Plan are the provision of basic needs and the right to appeal, we feel that compliance with these standards requires that assistance be continued in full until the appeal procedure is completed.

Section 9(7) of the Social Allowances Act provides for an appeal from a decision of the Social Services Advisory Committee to the Court of Appeal of Manitoba. However, such appeals can only be taken on either a point of law or an error in jurisdiction, and then only with leave of the Court. Because of the serious lack of procedural rules at the Appeal Board hearing, it is often extremely difficult to determine whether or not such leave could or should be sought. Should the decision be to pursue the matter to the Court of Appeal, then the client may be once again placed in the difficult position of being without sufficient funds to meet his or her basic needs.

It is our opinion that in order to make the right of appeal meaningful, there should be some other less restricted mechanism for judicial review of Appeal Board decisions. In addition, it is essential that interim assistance which will cover all the appellant's basic needs be provided throughout the appeal process; otherwise, in many cases the statutory right of appeal can be totally ineffective.

Experience has shown that unless the senior government undertakes to ensure that the minimum standards set out in the Canada Assistance Plan are met, the courts will be reluctant to intervene. In the *Mitchell, Crocker and Amor v. The Government of Canada*\* decision, the Federal Court declined to grant a declaration on an application before it that the Federal Government had failed to enforce the Canada/B.C. agreement with respect to establishing an appeal procedure as contemplated by the Plan and Agreement. Given this tenden-

tie que quelques instants avant de passer devant le tribunal, et même s'il est possible de demander un ajournement pour bien se préparer, il ne faut pas oublier que la situation financière de nombreux appelants, sinon de la plupart, d'entre eux ne leur permet pas de faire reporter la décision plus longtemps.

Le Régime d'assistance publique du Canada exige que les provinces participantes assurent les nécessités de la vie par voie de prestations d'assistance sociale à ceux qui y ont droit. Cependant, cette règle n'est pas respectée dans au moins deux circonstances. La première, c'est quand on juge qu'il y a eu paiement en trop à un bénéficiaire. Comme on l'a mentionné plus haut, même si l'erreur est entièrement imputable au ministère, celui-ci pourra retenir jusqu'à 5 p. 100 des prestations mensuelles sur les prestations courantes, ce qui laisse le bénéficiaire avec moins qu'il ne lui en faut, selon le règlement, pour satisfaire à ses besoins fondamentaux. La deuxième circonstance concerne directement la procédure d'appel. Une fois qu'une décision a été rendue pour mettre fin aux prestations ou modifier ces dernières et qu'un appel a été interjeté, le bénéficiaire n'a aucun droit, selon le règlement, à des prestations intérimaires en attendant la décision du comité d'appel. Souvent, l'appelant recevra une certaine aide des autorités municipales ou provinciales, mais généralement, les dépenses importantes comme le loyer et les services publics ne sont pas payées, et l'appelant se trouve dans une situation financière encore plus précaire. Vu que des règles minimales énoncées à l'article 6 du Régime d'assistance publique du Canada visent le droit aux nécessités fondamentales et le droit d'interjeter appel, nous estimons que pour respecter ces dispositions, il faut que les prestations continuent d'être versées jusqu'à la fin de la procédure d'appel.

Selon le paragraphe 9(7) de la loi dite *Social Allowances Act*, on peut en appeler d'une décision du comité consultatif des services sociaux auprès de la Cour d'appel du Manitoba. Toutefois, ces appels ne peuvent être déposés que sur un point de loi ou de compétence, et ce, avec l'autorisation du tribunal seulement. Étant donné l'absence quasi totale de règles de procédure concernant les audiences du comité d'appel, il est souvent extrêmement difficile de déterminer s'il convient ou non de chercher à obtenir cette autorisation. Si l'on décidait de porter la question devant la Cour d'appel, le client se retrouverait peut-être encore une fois sans les fonds nécessaires pour s'assurer des nécessités de la vie.

A notre avis, pour que le droit d'appel ait plus de sens, il faudrait un mécanisme un peu moins restrictif d'examen judiciaire des décisions du comité d'appel. En outre, il est essentiel qu'une aide financière soit accordée aux appelants pour répondre à leurs besoins fondamentaux pendant toute la durée des procédures d'appel, à défaut de quoi, dans bien des cas, le droit d'appel prévu dans le règlement peut s'avérer totalement inefficace.

L'expérience a montré qu'à moins qu'un ordre supérieur de gouvernement ne veuille à assurer l'application des règles minimales énoncées dans le Régime d'assistance publique du Canada, les tribunaux hésiteront à intervenir. Dans le jugement concernant l'affaire *Mitchell, Crocker et Amor, c. le gouvernement du Canada*, la Cour fédérale a refusé de se prononcer sur une demande dont elle avait été saisie parce que le gouvernement fédéral n'avait pas fait respecter les dispositions d'un accord intervenu entre le Canada et la Colombie-

cy, it is our opinion that there is an obligation on the federal authorities to strengthen the minimum standards with respect to appeals and to monitor the area to ensure that what is being done provincially in fact meets the expectations and underlying philosophy of Section 6 of the Canada Assistance Plan.

Britannique relativement à l'établissement d'un mécanisme d'appel conformément au Régime d'assistance publique du Canada et l'accord y afférant. Étant donné ce qui précède, nous croyons que les autorités fédérales se doivent de renforcer les règles minimales en ce qui concerne les appels et de veiller à ce que les provinces se conforment effectivement aux attentes et aux principes sous-jacents à l'article 6 du Régime d'assistance publique du Canada.

\* Unreported decision of Federal Court of Canada (Trial Division) 1975.

\* Jugement de la Cour fédérale du Canada, non rapporté. (Division de 1<sup>re</sup> instances) 1975.

#### Footnotes

1. C.A.P. preamble
2. C.A.P. preamble
3. C.A.P. preamble
4. Department of Welfare, Division of Welfare Services—Report of Fiscal Year 1964/65
5. Department of Health and Social Services, Division of Welfare Services—Annual Report 1968
6. Ibid.
7. Department of Health and Social Services, Social Services Division—Annual Report 1970
8. Ibid.
9. Department of Health and Social Services, Division of Welfare Services—Annual Report 1968
10. Ibid.
11. Department of Health and Social Services, Division of Social Security—Annual Report 1975
12. Ibid.
13. Ibid.
14. Ibid.
15. Ibid.
16. Department of Health and Social Security, Annual Report 1980
17. C.A.P., S. 2
18. C.A.P., S. 2
19. Figures provided by Ruth Benson, Canada Assistance Plan Representative in Manitoba.
20. Section 2(g)(i) Canada Assistance Plan
21. *Leblanc v. Transcona* (1973) 6 WWR 484, at p. 488, per Spence J.

"It may be argued that the Province of Manitoba, when paying a proportion of the municipal assistance paid out by the City of Transcona, is not providing for persons in need in accordance with that requirement in the Canada Assistance Plan, in that the schedule applied is not a schedule made by the province. That, in my view is a matter which must be settled between the Province of Manitoba and Canada and can have no application to an appeal by the present appellant against the refusal of the City of Transcona to grant him a municipal allowance".

#### Renvois

1. Préambule du Régime d'assistance publique du Canada
2. Préambule du Régime d'assistance publique du Canada
3. Préambule du Régime d'assistance publique du Canada
4. Ministère du bien-être, division des services de bien-être—rapport pour l'année financière 1964-1965
5. Ministère de la santé et des services sociaux, division des services du bien-être—rapport annuel de 1968
6. Ibid
7. Ministère de la santé et des services sociaux, division des services sociaux—rapport annuel de 1970
8. Ibid
9. Ministère de la santé et des services sociaux, division des services sociaux—rapport annuel de 1968
10. Ibid
11. Ministère de la santé et des services sociaux, division de la sécurité sociale—rapport annuel de 1975
12. Ibid
13. Ibid
14. Ibid
15. Ibid
16. Ministère de la santé et de la sécurité sociale, rapport annuel de 1980
17. Article 2 du Régime d'assistance publique du Canada
18. Article 2 du Régime d'assistance publique du Canada
19. Données fournies par Ruth Benson, représentante du Régime d'assistance publique du Canada au Manitoba.
20. Sous-alinéa 2 g)(i) du Régime d'assistance publique du Canada
21. *Leblanc c. Transcona* (1973) 6WWR 484, page 488, J. Spence

«On pourrait avancer que lorsqu'elle paie une partie des prestations d'assistance sociale versées par la ville de Transcona, la province du Manitoba ne répond pas aux besoins des personnes conformément aux dispositions du Régime d'assistance publique du Canada en ce sens que le programme appliqué n'est pas un programme établi par la province. Cela est à mon avis une question qui doit être réglée entre la province du Manitoba et le Canada et qui ne peut faire l'objet d'un appel par l'appelant en cause relativement au refus de la ville de Transcona de lui accorder l'assistance».

22. Municipal Act, S. 444, S. 721(10)

23. Social Allowance Act, S. 3

24. See for example *Re Lofstrom and Murphy* (1971) 22 DLR (3d) 120 (Sask CA); *Leblanc v. Transcona* (1973) 6 WWR 484 (SCC) supra; *Beattie v. Minister of Health and Welfare* (March 30, 1978, FCTD, unreported).

22. *Municipal Act*, article 444, paragraphe 721(10)

23. *Social Allowance Act*, article 3

24. Voir par exemple l'affaire *Lofstrom et Murphy* (1971) 22 DLR (3d) 120 (Sask CA); *Leblanc c. Transcona* (1973) 6 WWR 484 (SCC) supra; *Beattie c. le ministre de la Santé et du Bien-être* (le 30 mars 1978, FCTD, non rapporté).



NUMBER AND DISPOSITION OF APPEALS  
TO THE SOCIAL SERVICES ADVISORY COMMITTEE  
1961 TO 1980

	TOTAL	ALLOWED	DISMISSED	WITHDRAWN	DID NOT APPEAR	*OTHER
1980	320	52	144	75	24	25
1979	332	49	144	94	27	18
1978	424	79	141	155	31	18
1977	388	73	146	102	28	39
1976	360	75	145	92	29	19
1975	383	95	144	94	31	19
1974	447	125	157	101	34	30
1973	630	189	198	161	50	32
1972	933	275	263	251	106	38
1971	731	201	199	181	77	73
1970	253	109	56	—	—	**88
1961-1969	143	49	71	—	—	**23

\*Other — includes outside of jurisdiction

\*\*Other — includes withdrawn and did not appeal

From the Report of the Social Services Advisory Committee 1976-1978 and 1980.

TOTAL ET ABOUTISSEMENT DES APPELS INTERJETÉS AUPRÈS  
DU COMITÉ CONSULTATIF DES SERVICES SOCIAUX ENTRE  
1961 ET 1980

	TOTAL	RETENUS	REJETÉS	RETIRÉS	NON COMPARUTION	*AUTRES
1980	320	52	144	75	24	25
1979	332	49	144	94	27	18
1978	424	79	141	155	31	18
1977	388	73	146	102	28	39
1976	360	75	145	92	29	19
1975	383	95	144	94	31	19
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1971	731	201	199	181	77	73
1970	253	109	56	—	—	**88
1961-1969	143	49	71	—	—	**23

\*Autres — comprennent les cas relevant d'une autre compétence

\*\*Autres — comprennent les appels qui ont été retirés ou qui n'ont pas été interjetés.

Données tirées du rapport du Comité consultatif des services sociaux de 1976 à 1978, et de 1980.

## APPENDIX "FISC-35"

## APPENDICE «FISC-35»

March 30, 1981

Le 30 mars 1981

Ottawa, Ontario  
K1A 0A6

The Honourable Sterling Lyon, M.L.A.  
Premier of the Province of Manitoba  
204 Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

My dear Premier:

The House of Commons has given a mandate to a Special Committee of the House of Commons to act as a Parliamentary Task Force to study fiscal arrangements between the federal government and the provinces and to report to the House of Commons no later than June 26, 1981. Our report will contain recommendations which we hope will help the government in establishing its position in negotiation with the provincial governments which will be undertaken next fall leading to a new set of arrangements for April 1st, 1982.

The terms of reference require the Committee to examine the programs authorized by the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977*, focussing, in particular, on fiscal equalization, the tax collection agreements, the Canada Assistance Plan, and Established Programs Financing within the context of the government's expenditure plan as set out in the October 28, 1980 Budget.

The work of the Task Force will take into account briefs received from various organizations interested in these matters as well as the perspectives of the different levels of government. It will, of course, be of major importance for us to study thoroughly the views of the provincial governments.

Meetings will be held in Ottawa and in each of the provincial capitals during the months of April and May. As Chairman of the Task Force, I am writing to inform you that when our group travels to St. John's we would be pleased to meet either publicly or privately with ministers and officials designated by you. We recognize that in view of the fact your government will be negotiating with the federal government, there may be reservations about appearing publicly before us. If it is your wish, however, we want you to know that we would give priority to provincial ministers or officials in our public hearings either in Ottawa or in your capital. In any event, we would benefit greatly from private meetings with them and we consider it important to hear and understand provincial views and positions before making a political judgment on our mandate.

Ottawa, Ontario  
K1A 0A6

The Honourable Sterling Lyon, M.L.A.  
Premier of the Province of Manitoba  
204 Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

Monsieur le premier ministre,

La Chambre des communes a chargé un Comité spécial de la Chambre des communes, devenu pour l'occasion un groupe de travail parlementaire, d'étudier les accords fiscaux passés entre le gouvernement fédéral et les provinces et d'en faire rapport à la Chambre des communes au plus tard le 26 juin 1981. Notre rapport renfermera des recommandations qui, nous l'espérons, aideront le gouvernement à prendre position lors de la négociation, l'automne prochain, d'une nouvelle série d'accords avec le gouvernement provincial qui devraient entrer en vigueur le 1<sup>er</sup> avril 1982.

Selon l'ordre de renvoi du Comité, celui-ci doit analyser les programmes autorisés par la *Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces et sur le financement des programmes établis* et s'intéressera, en particulier, à la péréquation fiscale, aux accords de perception d'impôts, au Régime d'assistance publique du Canada et au financement des programmes établis dans le cadre du programme de dépenses du gouvernement annoncé dans le budget du 28 octobre 1980.

Le Groupe de travail tiendra compte des mémoires qui lui seront présentés par les diverses organisations qui s'intéressent à ces questions ainsi que des points de vue des différents niveaux d'administration. Il sera évidemment tout particulièrement important d'étudier à fond l'opinion des gouvernements provinciaux.

Des consultations seront organisées à Ottawa et dans chacune des capitales provinciales au cours des mois d'avril et de mai. En tant que président du Groupe parlementaire, je vous écris pour vous informer que, lorsque notre groupe se rendra à Fredericton, nous serons heureux de nous entretenir, soit publiquement soit à titre privé, avec les ministres et les hauts fonctionnaires que vous aurez désignés. Nous nous rendons compte que vous aurez peut-être quelques réserves à comparaître devant nous publiquement étant donné que votre gouvernement négociera avec le gouvernement fédéral. Si tel est votre désir cependant, nous aimerions vous faire savoir que nous entendrions en priorité les ministres ou les hauts fonctionnaires provinciaux lors de nos audiences publiques qui auront lieu soit à Ottawa soit dans votre capitale. De toute façon, nous tirerons grandement profit des entretiens privés que nous aurons avec eux et nous considérons qu'il est important d'entendre et de comprendre les opinions et positions provinciales avant de rendre un jugement politique sur notre mandat.

I look forward to hearing from you in this regard.

Dans l'attente de votre réponse.

20-5-1981

Believe me, my dear Premier,

Veuillez agréer, Monsieur le premier ministre, l'expression  
de mes salutations distinguées.

Yours sincerely,

Herb Breau, M.P., Chairman,  
Parliamentary Task Force on  
Federal-Provincial Fiscal  
Arrangements.

Comité spécial sur les accords  
fiscaux entre le gouvernement  
fédéral et les provinces,  
Le président, Herb Breau.





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## WITNESSES—TÉMOINS

At 9:00 a.m.

*From the Manitoba Health Organization Inc.:*

Mr. Ted Bartman, Chairman of the Board;

Mr. Peter Sloggett, Chairman of the Ad-Hoc Committee on  
Established Programs Financing Act.

At 9:50 a.m.

*From the Social Planning Council of Winnipeg:*

E. T. Sale, Executive Director.

At 11:10 a.m.

*From the Legal Aid Lawyers' Association:*

Mr. Arnie Peltz, President;

Ms. Sheila Rogers, Vice-President;

Ms. Brenda Silver

A 9 heures

*De la Manitoba Health Organization Inc.:*

M. Ted Bartman, président du Conseil d'administration;

M. Peter Sloggett, président du Comité spécial d'étude de la  
Loi sur les financements des programmes établis.

A 9 h 50

*Du Social Planning Council of Winnipeg:*

E. T. Sale, directeur général.

A 11 heures

*De l'Association des avocats de l'aide juridique:*

M. Arnie Peltz, président;

M<sup>me</sup> Sheila Rogers, vice-présidente;

M<sup>me</sup> Brenda Silver.











**BINDING SECT.** SEP 20 1984



